



Applied Value Quarterly Steel Report

Q4 2025 Report

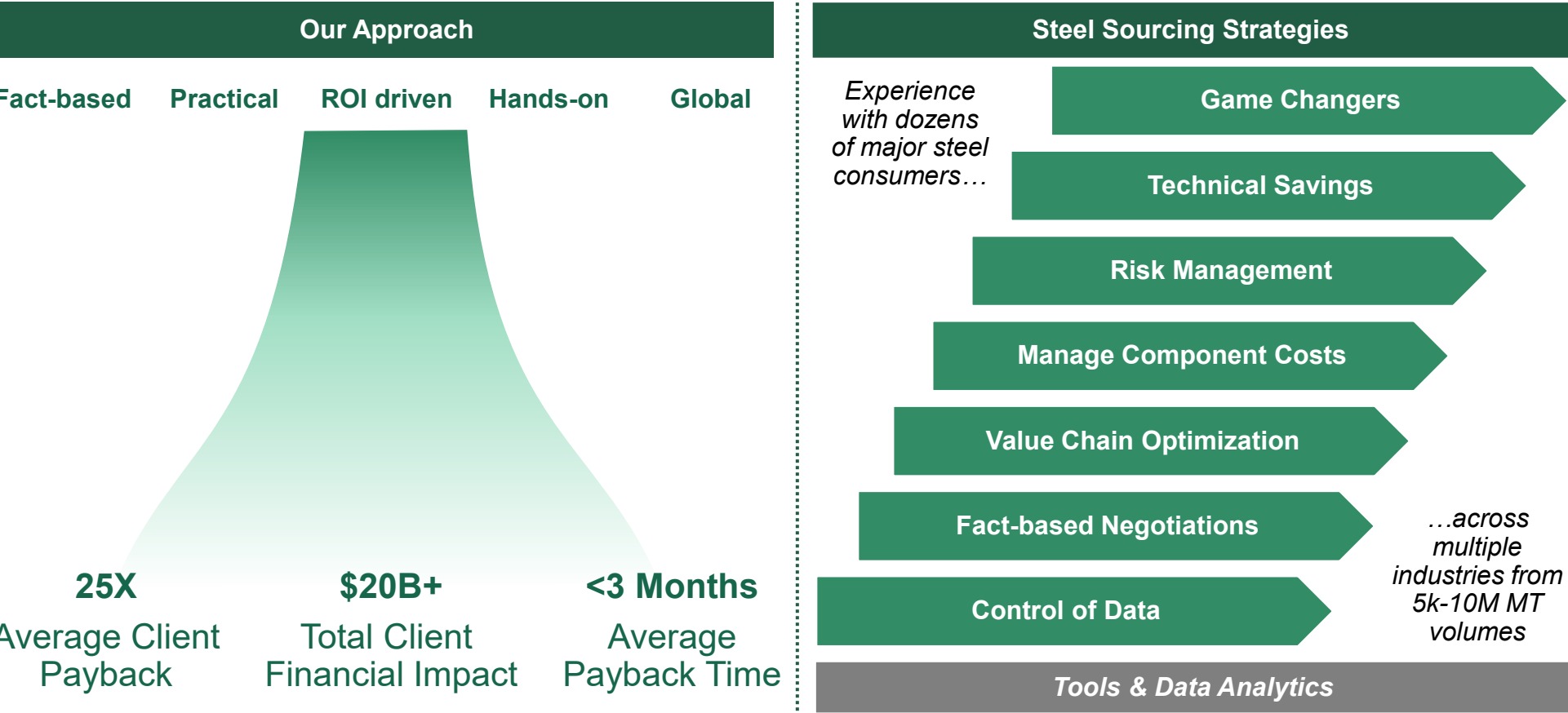
October 2025

Applied Value

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Applied Value Group is a global boutique management consulting firm with a margin expansion focus and a pragmatic, hands-on approach to business.



Sourcing Value is advanced Source-to-Contract software, designed to facilitate strategy execution and savings (6-10%) faster for all Raw Materials.

SOURCING VALUE'S 3 CORE MODULES OF FUNCTIONALITY

1

CATEGORY MANAGEMENT

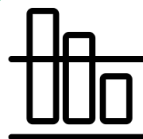
- ✓ Part-Level Price and Spend Calculations
- ✓ Budget Forecast and Actuals
- ✓ Raw Material to Finished Part Mapping
- ✓ Index Price Adjustment Modelling
- ✓ Scrap Recovery Mechanism Modelling
- ✓ Market Impact Analysis



2

RFQ & FACT-BASED NEGOTIATIONS

- ✓ Matrix Style RFQ Template
- ✓ Granular Benchmark Database
- ✓ Instant Supplier Quote Analytics
- ✓ Integrated Market Intelligence
- ✓ Constraint-Bound Scenario Analysis
- ✓ Supplier Qualifications



3

STRATEGIC INITIATIVES

- ✓ Value Analysis & Value Engineering
- ✓ Managed Buy Programs
- ✓ Purchase Cost to Sales Price Alignment
- ✓ Complete Value Chain Optimization
- ✓ Supply Chain Sustainability
- ✓ Risk Mitigation



Reach out to Alex.Curiel@appliedvalue.com to schedule a demo

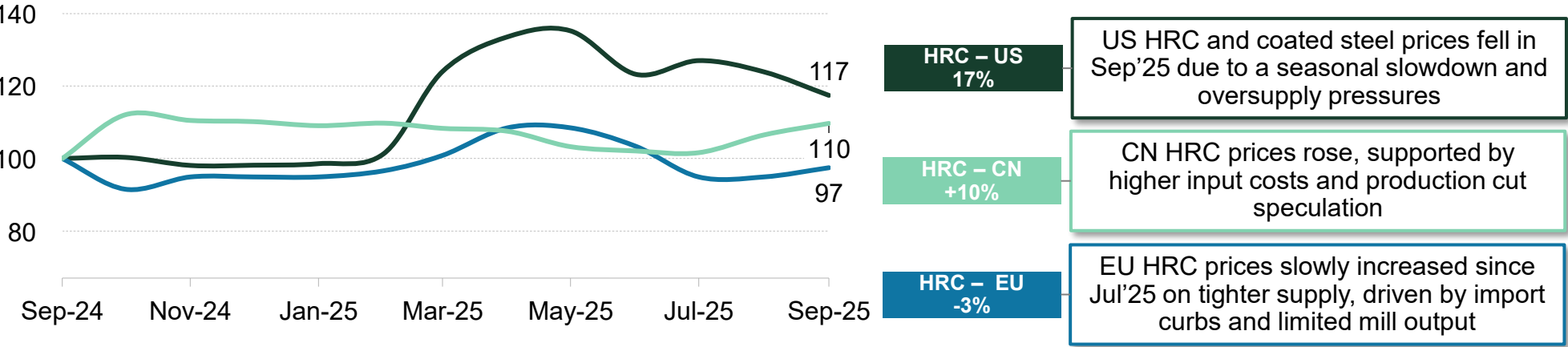


Q3'25 HRC trends diverge as US falls on seasonal slowdown, EU stabilizes on tighter supply, and CN rises on higher input costs.

Indexed Hot-rolled Coil Costs

Sep'24 – Sep'25

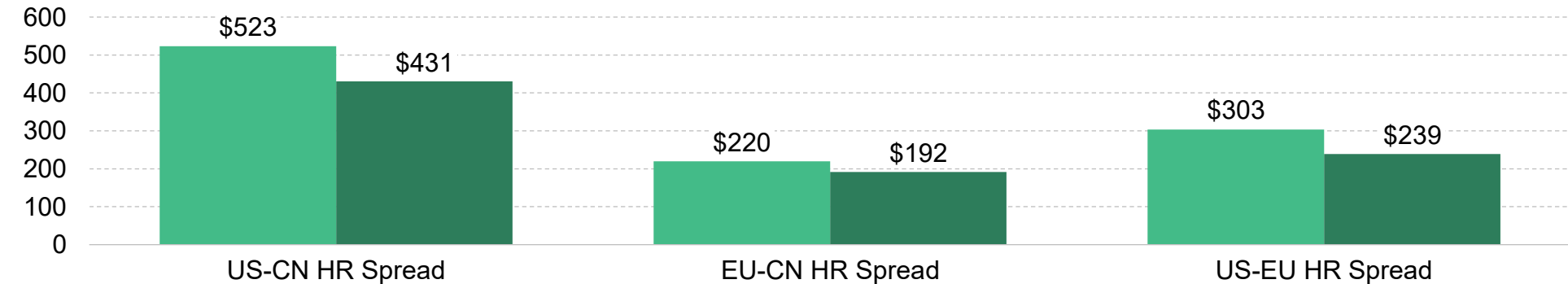
100 = September 2024 Last 12 Months



















US, EU, CN prices spread

USD/MT, Last 6 months = Apr'25 to Sep'25

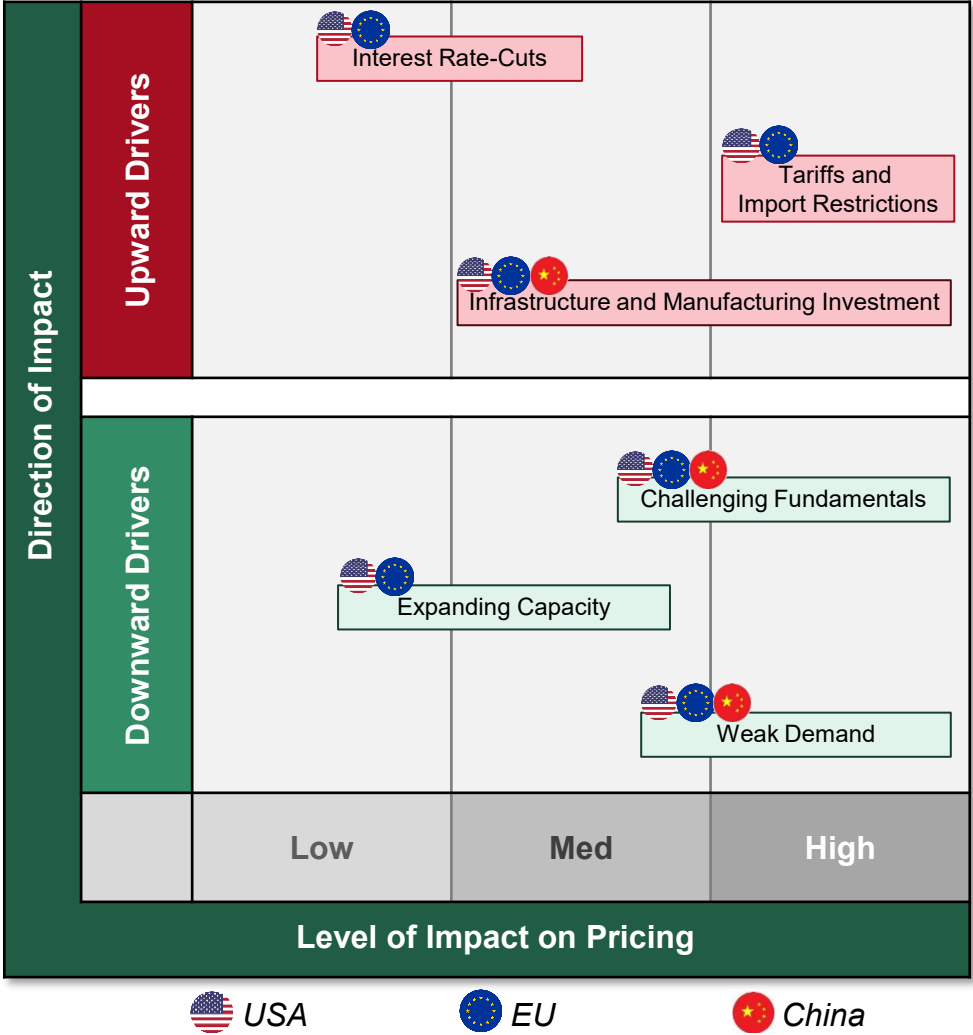
Last 6 months Sep-25



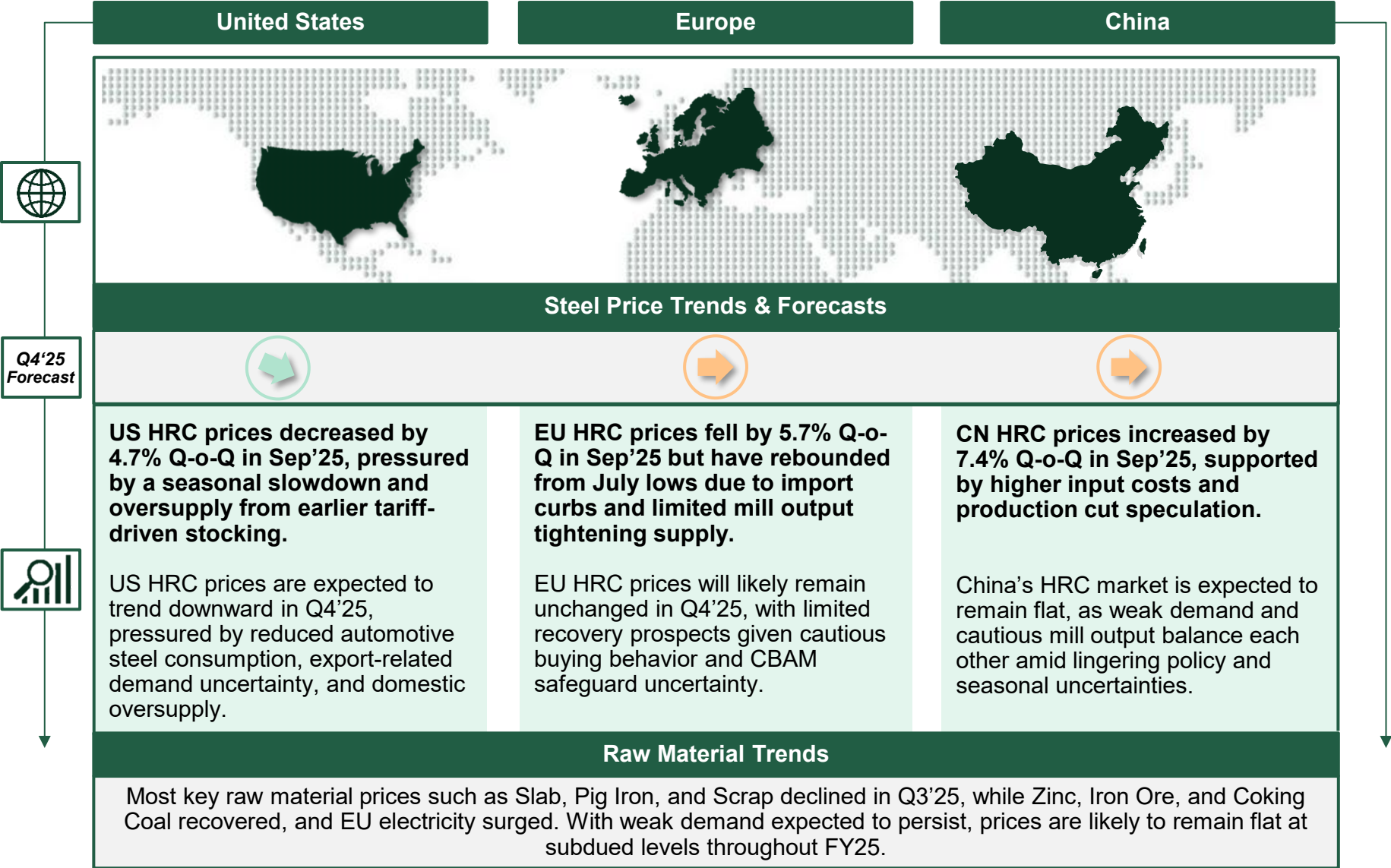
Global Steel Price & Trend Summary:

Commodity		Latest Approx. Price	Last 3 Months	Trend (3 Months Forward)	
	Flat	US	~\$912/MT	-4.7%	
		EU	~€575/MT	-5.7%	
		CN	~\$481/MT	+7.4%	
	SS	US	~\$3,731/MT	+2.9%	
		EU	~\$2,738/MT	-4.4%	
		CN	~\$1,800/MT	+0.3%	
	Plate	US	~\$1,036/MT	-6.0%	
		EU	~\$685/MT	-4.9%	
		CN	~\$581/MT	+4.8%	
	Bar	US	~\$1,224/MT	-1.8%	
		EU	~\$860/MT	+0.7%	
		CN	~\$450/MT	+6.1%	

Major Market Drivers

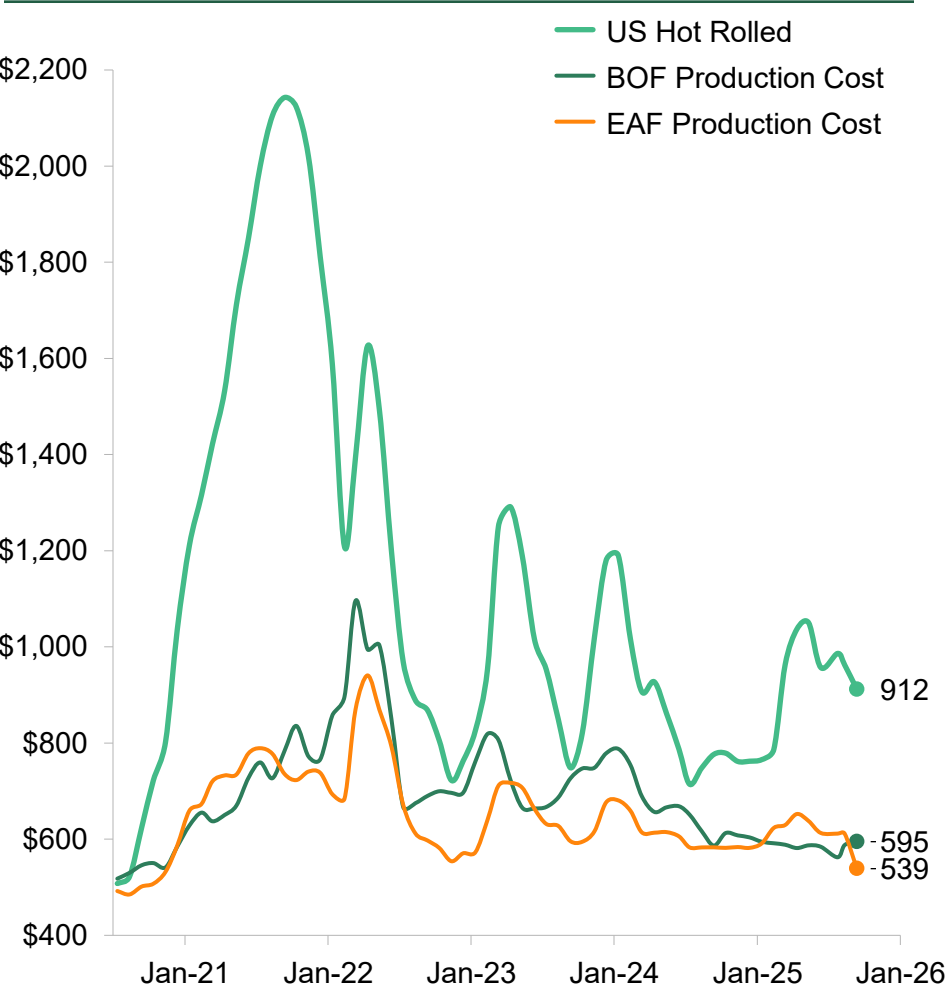


US HRC prices are expected to decline on weak demand; EU outlook remains flat amid CBAM uncertainty; CN projected stable with cost support.

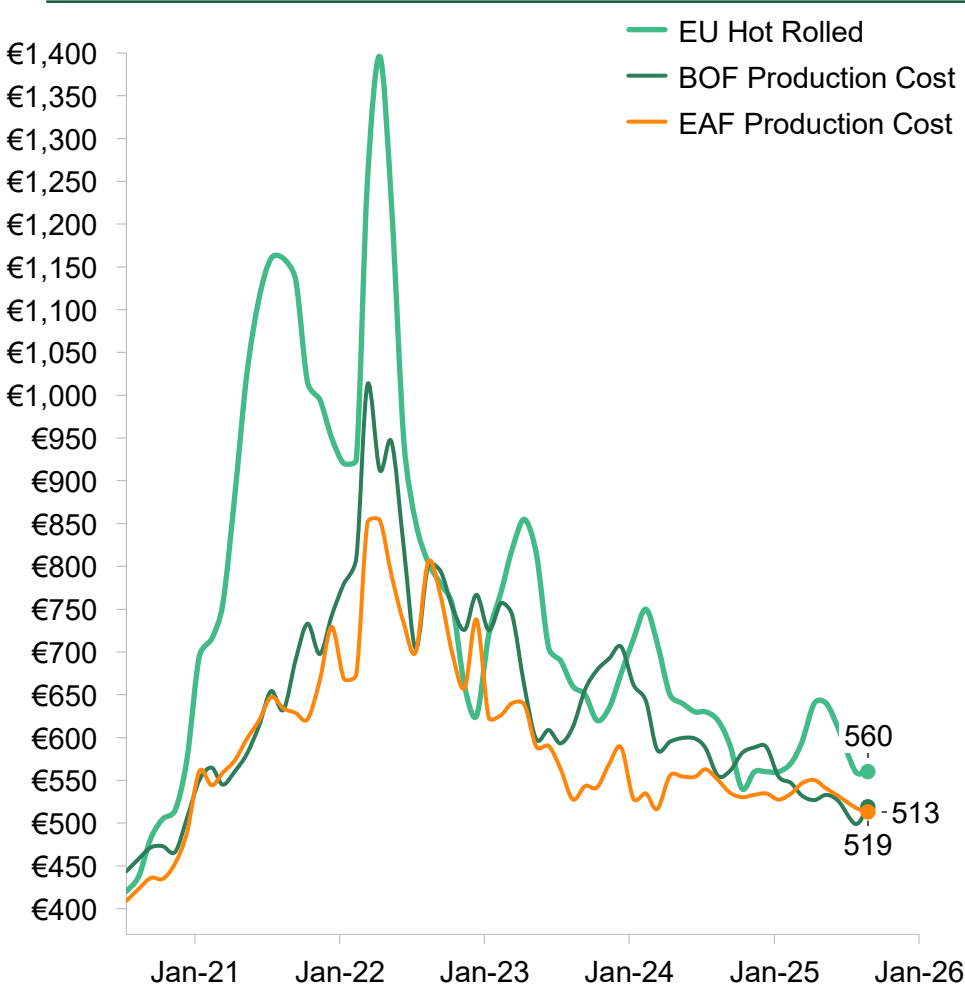


US mill margins compressed in Q3'25 but remain solidly positive; EU mill margins continue to hover near breakeven.

US Production Cost vs. Market Pricing
Jul'20 – Sep'25, USD/MT



EU Production Cost vs. Market Pricing
Jul'20 – Sep'25, EUR/MT



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Market Conditions by Region

Steel Production Costs

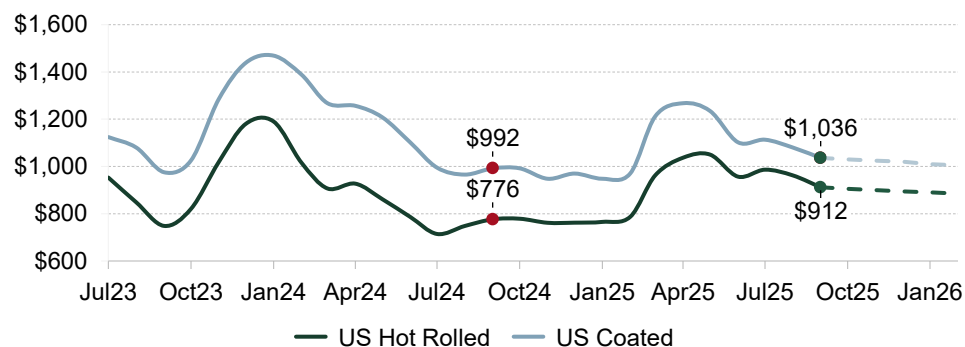
Special Section - Electrical Steel

Major Steel Mill Company Performance



In Q3'25, US HRC and coated steel prices continued to decline to ~\$912/MT and \$1,036/MT, respectively.

US Flat Prices (USD/MT)

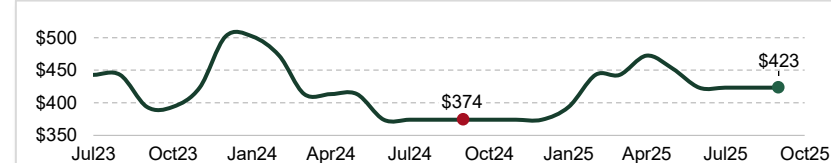


- US HRC and coated steel prices declined in Sep'25 by 4.7% Q-o-Q to \$912/MT and 6.0% Q-o-Q to \$1,036/MT, respectively. The decline was mainly driven by weak demand, as construction activity slowed during seasonal lulls and auto production was impacted by tariffs. Steady mill production and Q2 pre-stocking, triggered by the tariffs, further pressured prices downward.
- US scrap prices held flat through Q3'25, but the market is poised for strong downward pressure in October. Export markets are expected to weaken as Turkish mills cut back on buying and freight costs rise, while declining HRC prices weigh on the domestic market.
- In September, U.S. manufacturing activity cooled, with the PMI easing to 52.0 as new orders declined, particularly in the factory sector. Export demand remained weak, adding further pressure on manufacturers already facing higher input costs from tariffs.
- US mill capacity utilization remained flat at 78% in Sep'25, supported by Section 232 tariffs that encouraged domestic production.
- The US-China HRC spread narrowed to \$429/MT in Sep'25, primarily due to declining US prices, while Chinese HRC prices gradually increased.

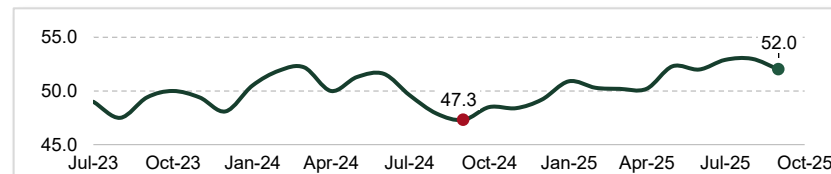
Source: AV Analysis

US Scrap Steel Price

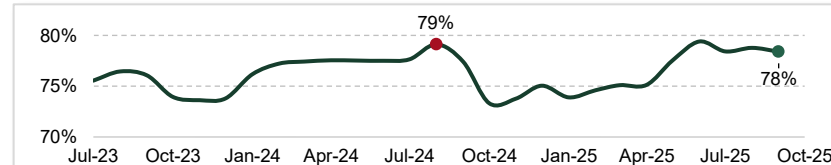
USD/MT



US PMI

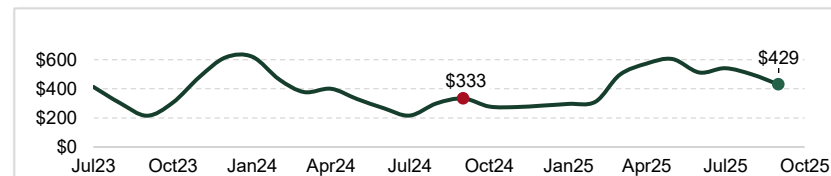


US Mill Capacity Utilization



US vs. China Price Spread

USD/MT

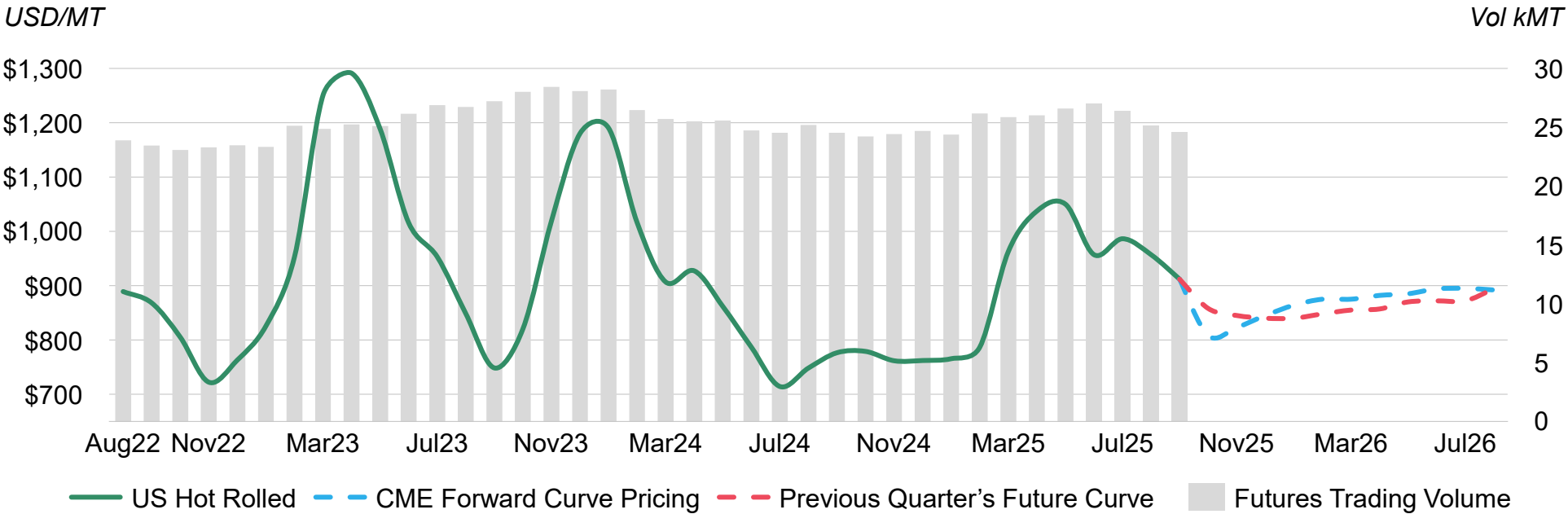


● Previous Year's Data ● Latest Data + Correlation to Market Price



US HR futures point to a sharp decline in '25, followed by a recovery toward \$900/MT in '26, though weak demand and lower Q3 volumes limit upside.

US Hot Rolled Historical Prices, Contract Volume, and Futures CME Pricing



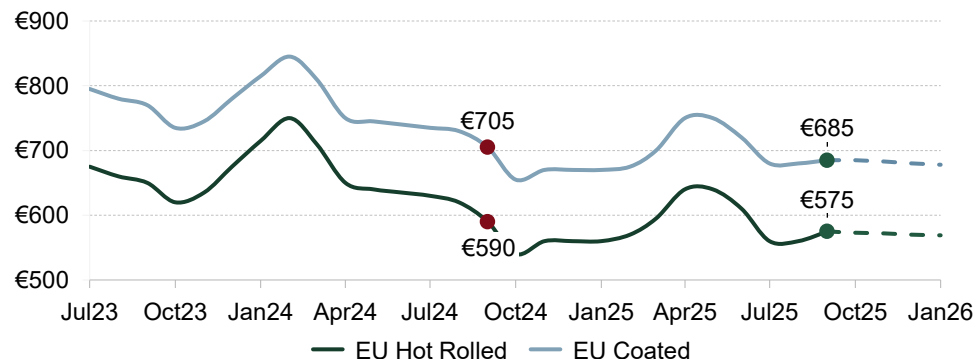
- › The forward curve shows a drop in 2025 to around \$800/MT, with expectations for a modest recovery into 2026 as prices gradually climb toward \$900/MT. Compared to the previous quarter's curve, the outlook has shifted slightly upward, reflecting the impact of tariffs and supply-side adjustments, but still signals limited bullishness due to weak demand.
- › Futures trading volume fell in Q3'25, reflecting seasonal demand softness and reduced-price volatility that curbed both hedging needs and speculative activity. Liquidity also concentrated in nearer-term contracts, leaving Q3 with lower participation.

Note: Volumes are traded volumes cleared by CME, i.e. they exclude the "off exchange" OTC (over-the-counter) volumes not cleared by CME Prices
Source: CME, AV Analysis



EU HRC and Coated prices rebounded to €575/MT and €685/MT, respectively, supported by tightened supply but limited by weak demand.

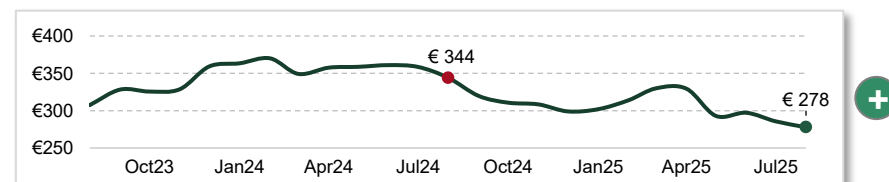
European Flat Prices (EUR/MT)



- › In Sep'25, EU HRC and coated steel prices fell 5.7% and 4.9% Q-o-Q, respectively. The Q3'25 rebound was driven by tightened supply after the Aug holiday lull and mill maintenance, while import constraints from EU CBAM uncertainty and new safeguards curbed inflows. Prices remained under pressure from weak demand, as the auto sector was hit by US tariffs and rising CN EV competition, while construction stayed subdued amid limited public investment.
- › EU scrap prices fell by 5.2% Q-o-Q in Aug'25, driven by weak steel demand (in Turkey and Asia), currency devaluations (lira, rupee), and higher freight costs. Prices are expected to remain under pressure through the rest of year.
- › Crude steel production has continued its downward trend since May'25, falling by 22.8% Q-o-Q in Sep'25 and standing 3.3% lower Y-o-Y. Seasonal maintenance weighed on output throughout Q3'25, while elevated input costs made mills more reluctant to ramp up production.
- › Eurozone manufacturing PMI slipped to 49.5 in Sep'25, weighed down by falling new orders and the steepest export decline in six months, while purchasing activity contracted for the 39th consecutive month, according to S&P Global.
- › In Sep'25, the EU-China HRC price spread narrowed by 22.4% Y-o-Y to €162/MT, as the rise in Chinese export prices outpaced the increase in EU prices.

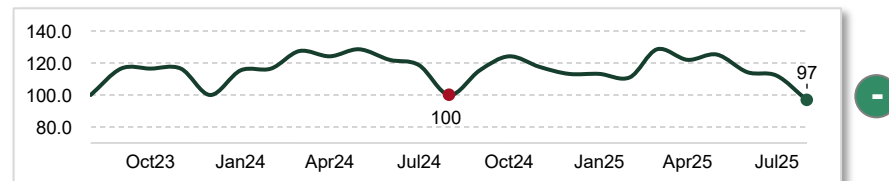
European Scrap Prices

EUR/MT

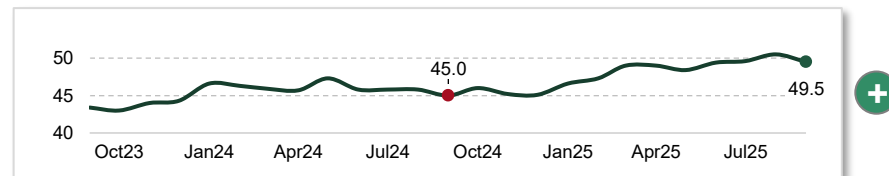


EU Indexed Crude Steel Production

100 = Jul 2023

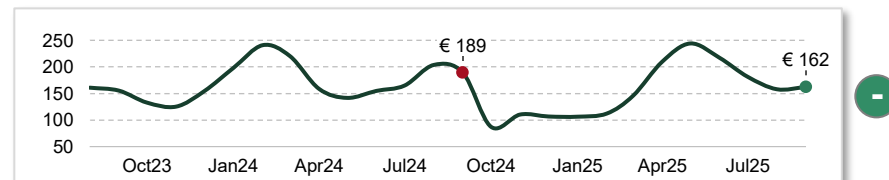


Euro Zone Manufacturing PMI



EU vs. China Price Spread

EUR/MT

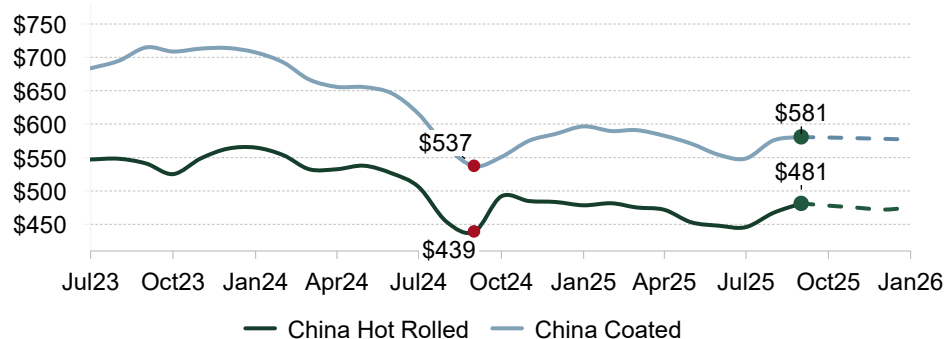


● Previous Year's Data ● Latest Data + - Correlation to Market Price



China HRC and coated prices increase to \$481/MT and \$581/MT in Sep'25, respectively, with an input cost surge, and production cut speculation.

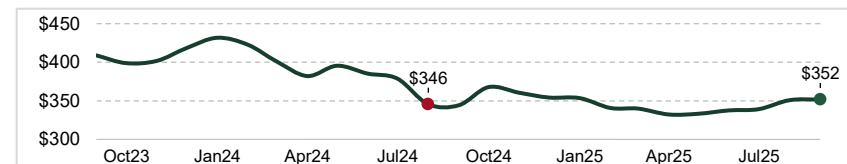
China Flat Prices (USD/MT)



- › In Sep'25, Chinese HRC and coated steel prices rose 7.4% Q-o-Q and 4.8% Q-o-Q, respectively. The HRC increase was driven by cost-push pressures from soaring raw materials, especially coking coal and coke. Speculation over production curbs led mills and traders to hold back supply, but the looming EU 25% tariff threat is expected to keep prices under pressure.
- › China's scrap steel prices increased by 4.2% Q-o-Q. China's steel scrap market firmed in Jul'25, driven by bullish sentiment around possible output cuts, policy support, and higher raw material costs.
- › Crude steel output was broadly flat in Sep'25, down 1.2% Q-o-Q, as weak demand and policy curbs prompted voluntary mill cuts that may keep production subdued through year-end.
- › China's net steel exports held firm in Aug'25, reflecting continued reliance on overseas demand as weak domestic consumption and trade frictions limit growth.
- › In Sep'25, the US-China HRC price spread narrowed sharply to \$429/MT as Chinese prices increased, while the EU-China spread eased steadily to \$190/MT.

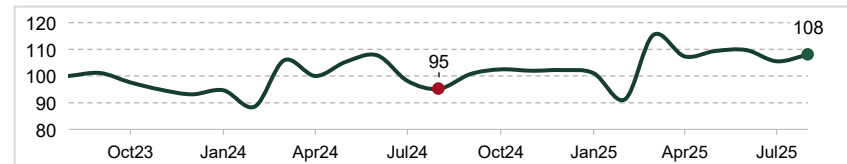
China Scrap Steel Price

USD/MT



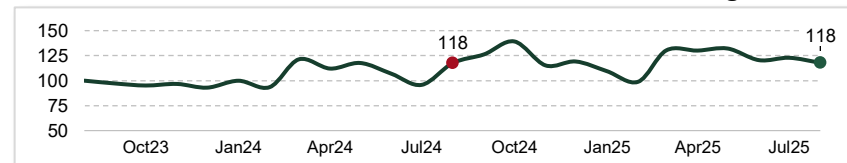
CN Indexed Crude Steel Production

100 = August 2023



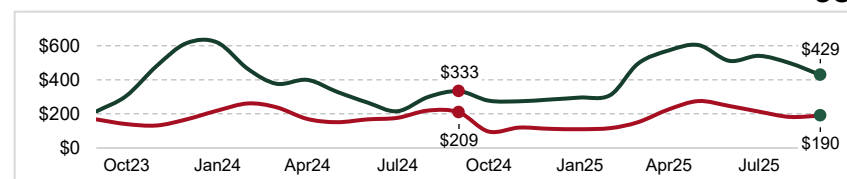
Indexed China Net Exports

100 = August 2023



Spread between CN vs US & EU

USD/MT



● Previous Year's Data ● Latest Data + Correlation to Market Price



Steel outlook is boosted by rate-cut prospects, stricter import restrictions, and rising infrastructure and manufacturing investments.

Upward Market Drivers



Interest Rate-Cut Prospects

- › **US:** The Federal Reserve cut its key rate by 25 bps to 4.00–4.25% in September 2025, the first reduction since 2024. Additional modest cuts are expected later in 2025, though the Fed remains cautious as inflation is still above target.
- › **EU:** The European Central Bank reduced its deposit facility rate by 25 bps to about 2.00% in June 2025, continuing its easing path. The ECB is likely nearing the end of its rate-cut cycle, with further cuts possible only if growth weakens sharply or inflation drops too low.



Tariffs and Import Restrictions

- › **US: Section 232 Tariffs:** In June 2025, the U.S. doubled tariffs on steel and aluminum imports to 50% and removed many country exemptions. Enforcement of “melt and pour” rules has been tightened to prevent tariff evasion through third-party countries. In August 2025, an additional 407 items were added to the steel and aluminum HTS list, thus increasing scope and coverage of the tariffs.
- › **EU:** The EU has proposed a sharp tightening of steel import restrictions by raising tariffs to 50% on volumes exceeding quotas and cutting duty-free import limits to protect its domestic industry from global overcapacity, particularly from China. The move aims to prevent market distortions and safeguard European producers as existing safeguards expire in 2026. However, manufacturers and trade partners warn the proposal could raise costs, disrupt supply chains, and spark broader trade tensions.



Infrastructure and Manufacturing Investment

- › **US:** Significant commitments in advanced manufacturing and infrastructure were announced: Eli Lilly invested \$5B in a new pharmaceutical plant in Virginia, Samsung secured a \$250M Texas state grant as part of a \$37B chip initiative, and Hitachi Energy announced a commitment of \$1B to strengthen U.S. grid hardware.
- › **EU:** Large-scale transport projects gained momentum. Italy advanced the Brenner Base Tunnel, Lyon–Turin rail link, and Tortona–Genoa high-speed line. Italy also moved forward with the €13.5B Messina Bridge. Additionally, the European Commission allocated €2.8B to 94 transport projects, including the Rail Baltica cross-border railway, to improve sustainable connectivity across member states.
- › **CN:** In early July, Beijing approved ¥800 billion in funding for “key national projects” and began issuing ultra-long special treasury bonds to support major national strategies, equipment upgrades, and trade-in initiatives. By April, the NDRC had already cleared 27 projects worth ¥574 billion, creating a robust investment pipeline expected to drive site mobilization and stronger steel demand throughout 2025 and into 2026.



Steel outlook is pressured by weak growth, rising capacity, and persistent demand softness across US, EU, and China.

Downward Market Drivers



Challenging Fundamentals

- › **US:** GDP growth slowed to about 1.7% in Q3 2025, with unemployment edging up toward 4.2–4.3% and payroll gains weakening. Inflation stayed above the Fed's 2% target, while rising tariffs and policy uncertainty weakened consumer confidence and household spending.
- › **EU:** The euro area economy expanded by only about 0.9% in Q3 2025. Core inflation remained sticky near 2% despite easing headline inflation. Political fragmentation, weak external demand, and regulatory burdens continue to limit competitiveness and investment momentum.
- › **CN:** GDP growth was cut to about 4.2% in Q3 2025, below the 5% target, reflecting weak consumer spending and a fragile property sector. Retail sales grew just 3.4% YoY, investment slowed to 0.5%, and modest fiscal stimulus (about 0.5% of GDP) was insufficient to offset headwinds.



Expanding Capacity

- › **US:** Between 2025 and 2030, U.S. mills are expected to add about 20 MMT of new EAF steel capacity, focused on rebar for infrastructure and flat/sheet products for automotive and construction. Major projects are planned by Nucor, CMC, SSAB, NLMK, Hyundai Steel, and ArcelorMittal.
- › **EU:** Europe is pushing ahead with green steel investments. Multiple H₂-DRI and EAF projects are underway. SSAB has begun construction of a €4.5 billion green steel mill in Luleå, Sweden, set to start operations by 2029 and cut the country's CO₂ emissions by 7% through fossil-free sponge iron, recycled scrap, and electrified steelmaking.



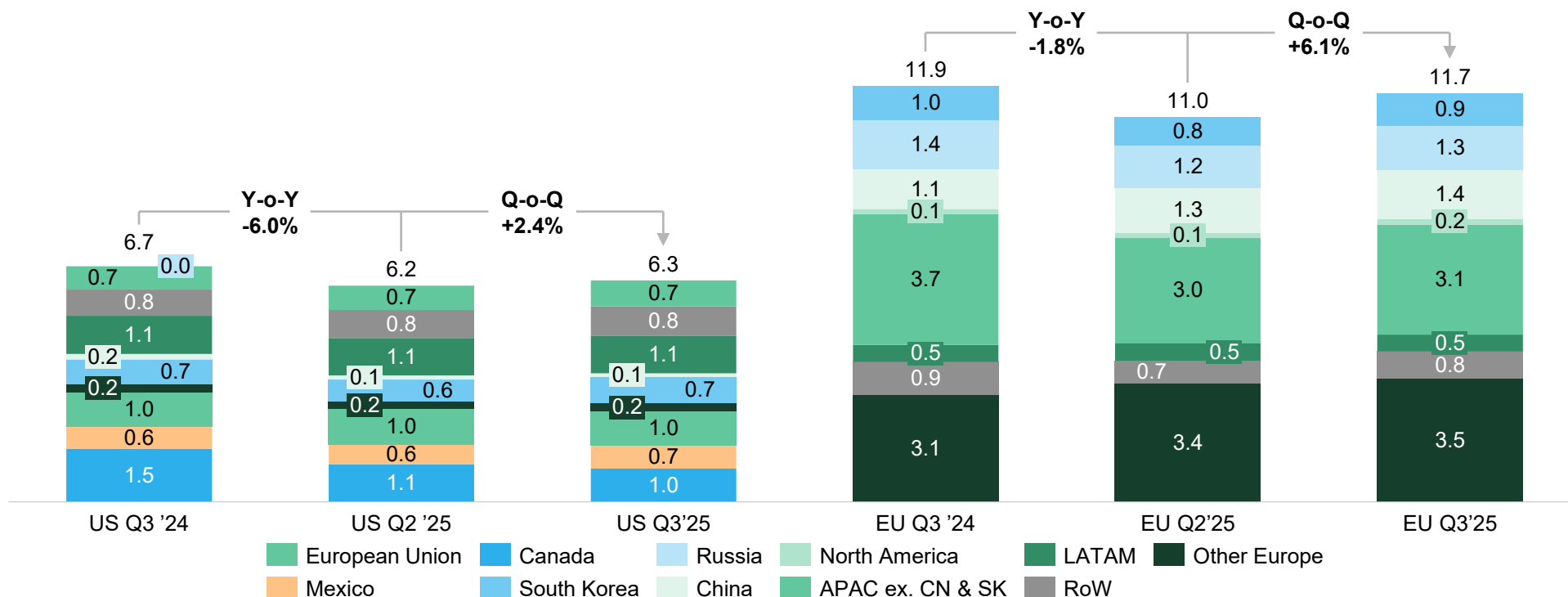
Weak Demand

- › **US:** Construction activity slowed sharply in 2025, with growth falling from 6.6% in 2024 to just 1.4%. Residential building starts and permits declined across most states, while overall construction starts were projected to contract by 1.8%.
- › **EU:** Demand remained under pressure, especially in the auto sector. Ford announced plans to cut about 1,000 jobs at its Cologne EV plant and scale back to a single shift by early 2026, citing lower-than-expected sales. Construction was also weak: euro area output declined 0.5% overall, with building construction contracting by 3.6% YoY.
- › **CN:** The construction outlook remained subdued in Q3 2025. The property sector continued to weigh on investment, while manufacturing activity contracted as PMI readings fell below 50. The auto market also softened after local purchase subsidies in several cities expired, leaving retail demand vulnerable.



US steel imports rose by 2.4% QoQ on stronger Korean inflows, while EU imports grew by 6.1% QoQ led by APAC and China.

US and EU Imports – All Steel Products (US) / Iron and Steel (EU), MMT



- › In Q3'25, US steel imports totaled 6.3 MMT, up 2.4% Q-o-Q but down 6.0% Y-o-Y. The modest quarterly gain was driven by stronger inflows from South Korea (+22%), which offset declines from Canada. Future imports remain constrained by weak domestic demand and trade policy uncertainty, with new US tariffs discouraging growth.
- › In Q3'25, EU steel imports stood at 11.7 MMT, up 6.1% Q-o-Q but still 1.8% lower Y-o-Y. Growth was led by higher volumes from Other Europe (+4%), APAC (+5%), and China (+10%). Despite the quarterly increase, overall EU import demand remains subdued, with volumes supported more by shifting supply sources, safeguard measures, and quota dynamics than by genuine consumption strength.

Note: Due to data availability, there are two-month lag for US and EU import data. E.g., Q3'25 represents data from May'25 to Jul'25

Source: AV Analysis



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Market Conditions by Region

Steel Production Costs

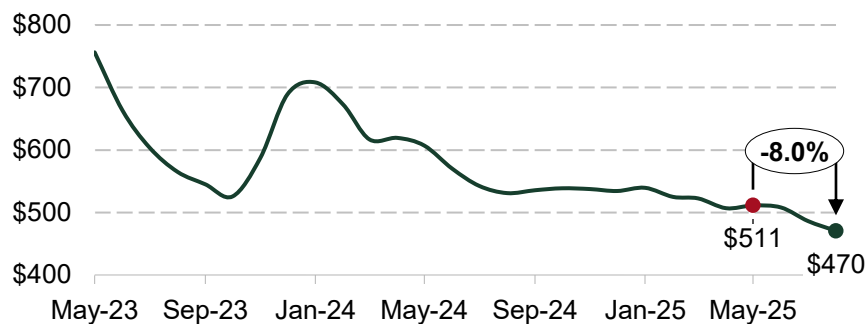
Special Section - Electrical Steel

Major Steel Mill Company Performance

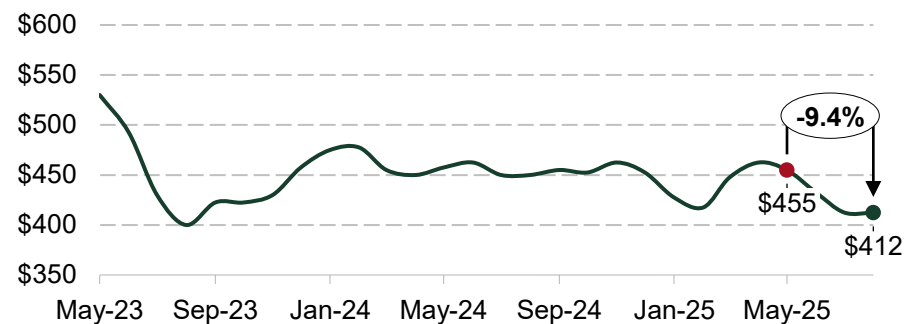


Semi-finished steel and scrap prices fell further in Aug'25, with slab down 8.0% QoQ, pig iron 9.4% QoQ, and US/EU scrap 6.5% QoQ.

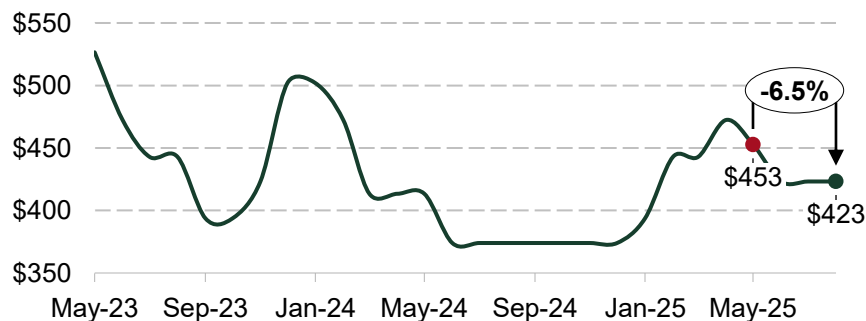
Slab
USD/MT, May'23 – Aug'25



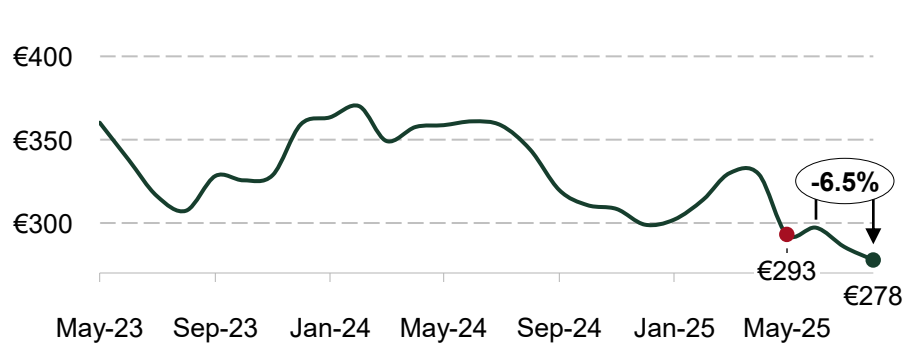
Pig Iron
USD/MT, May'23 – Aug'25



Ferrous Scrap US
USD/MT, May'23 – Aug'25



Ferrous Scrap Europe
EUR/MT, May'23 – Aug'25

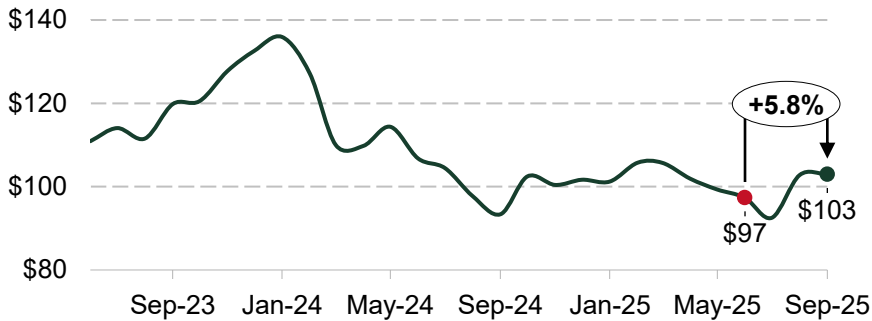


● Previous Quarter's Data
● Latest Data

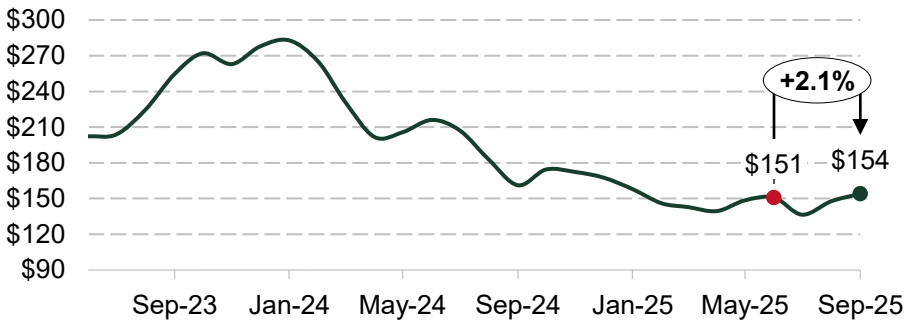


Iron ore, coking coal, and zinc prices rebounded QoQ since June'25, with iron ore up 5.8%, coking coal 2.1%, and zinc 18.3%.

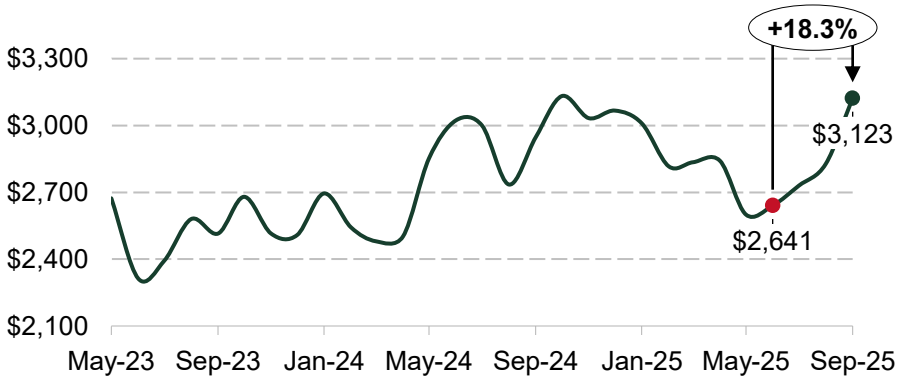
Iron Ore
USD/MT, Jun'23 – Sep'25



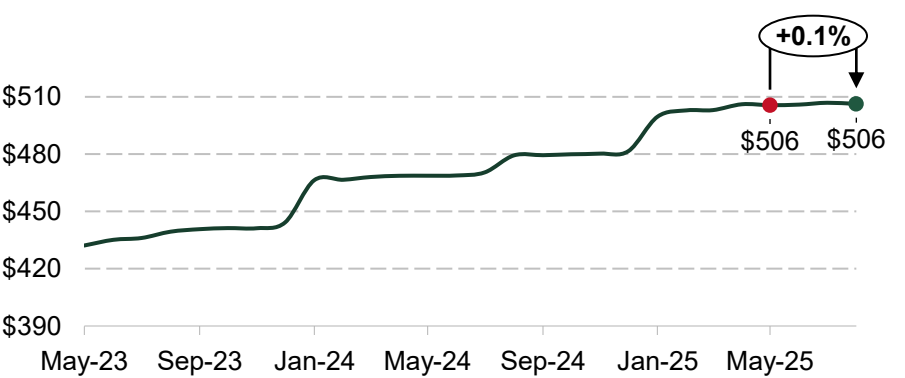
Coking Coal
USD/MT, Jun'23 – Sep'25



Zinc
USD/MT, May'23 – Sep'25



Limestone – Producer Price Index
May'23 – Aug'25



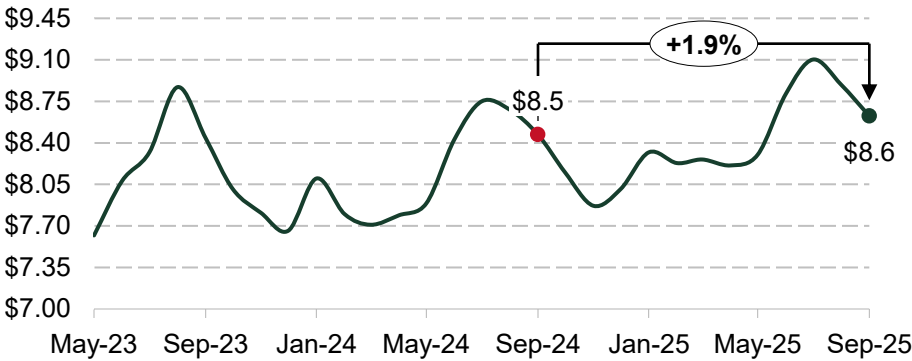
● Previous Quarter's Data
● Latest Data



Contrasting energy trends as EU electricity jumps 16.7% YoY, US natural gas rises 45.2% YoY, while EU gas falls 20.7% YoY.

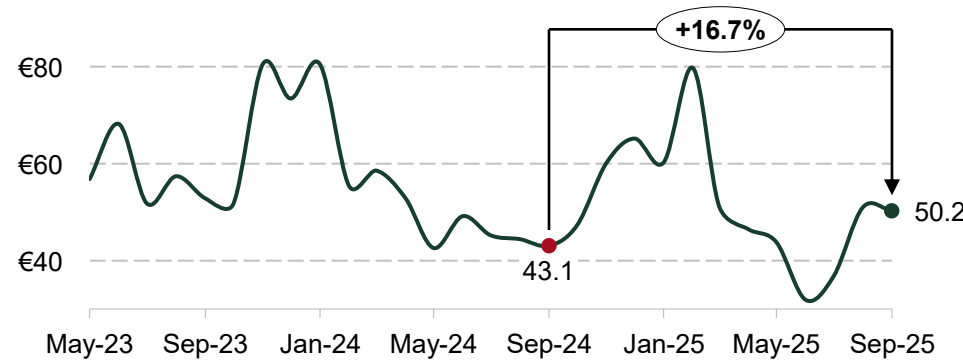
Electricity US

US cents/KWH, May'23 – Sep'25



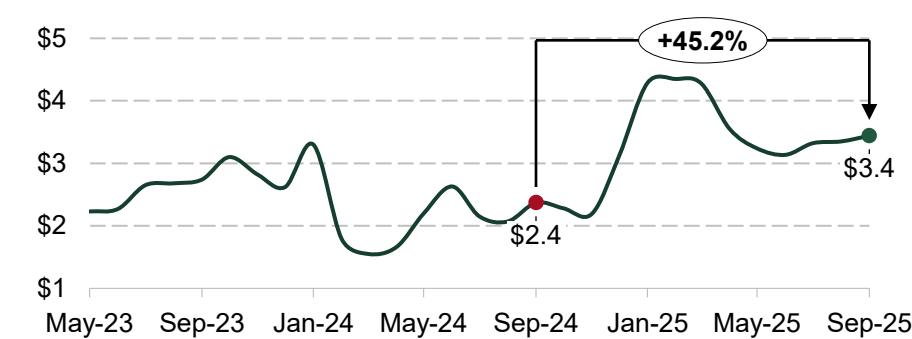
Electricity Europe

EUR/MWH, May'23 – Sep'25



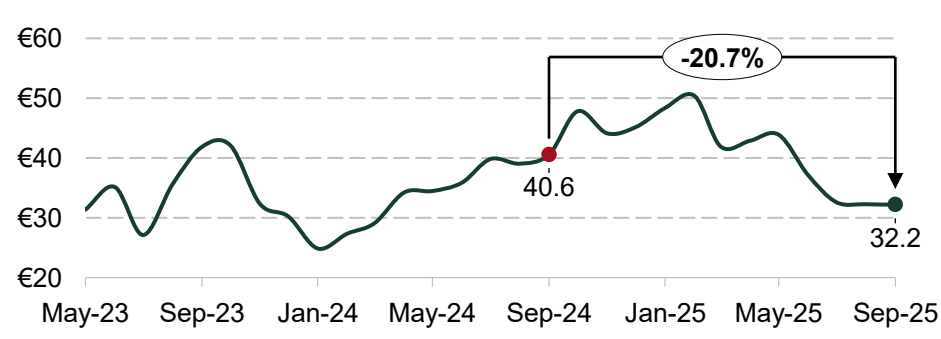
Natural Gas US

USD/mmBtu, May'23 – Sep'25



Natural Gas Germany

EUR/MWH, May'23 – Sep'25



● Previous Year's Data
● Latest Data



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Market Conditions by Region

Steel Production Costs

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Major Steel Mill Company Performance

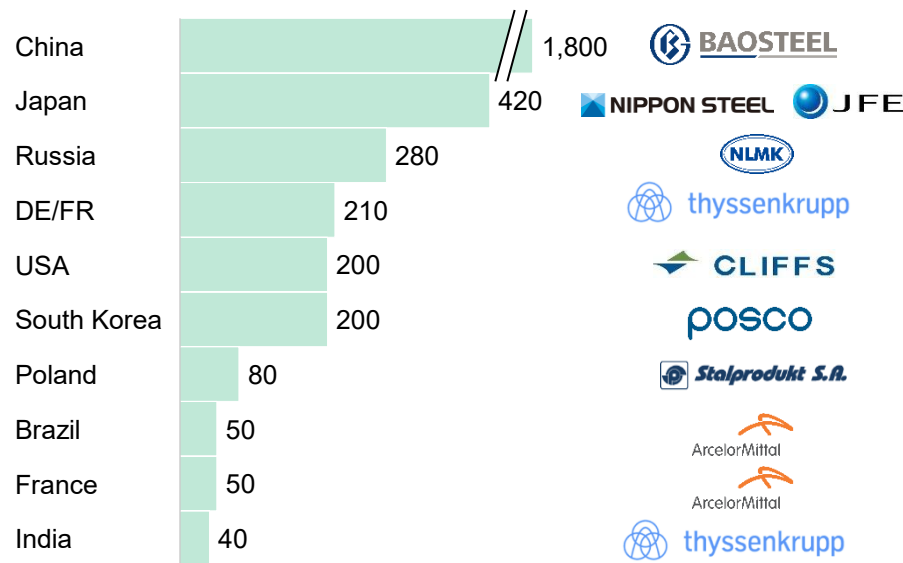


Grain-oriented electrical steel is applied in static machinery such as transformers while non-oriented is used in rotational machinery.

30%  Grain-oriented Electrical Steel

70%  Non-oriented Electrical Steel

Top Grain-oriented Electrical Steel Producers
Rank by production, thousand tonnes, 2024



The acceleration in electrification across the automotive sector has boosted the demand for both grain-oriented and non-oriented silicon electrical steel

- **NOES** – direct material input to electric motor manufacturing and low power motor applications
- **GOES** – EV charging infrastructure and other renewable energy infrastructure

Varieties	High-grade	Middle-grade	Low-grade
Small & micro-scale motor	★	★	★
Large & medium-scale motor	★	★	
Sealed motor	★	★	
Intermit motor		★	
Medium-frequency motor and driven motor	★		
Compressor motor	★	★	★
Medium and small power transformer	★		
Voltage regulator, reactor and magnetic amplifier	★		
Choke coil		★	
Relay and electromagnetic switch	★	★	

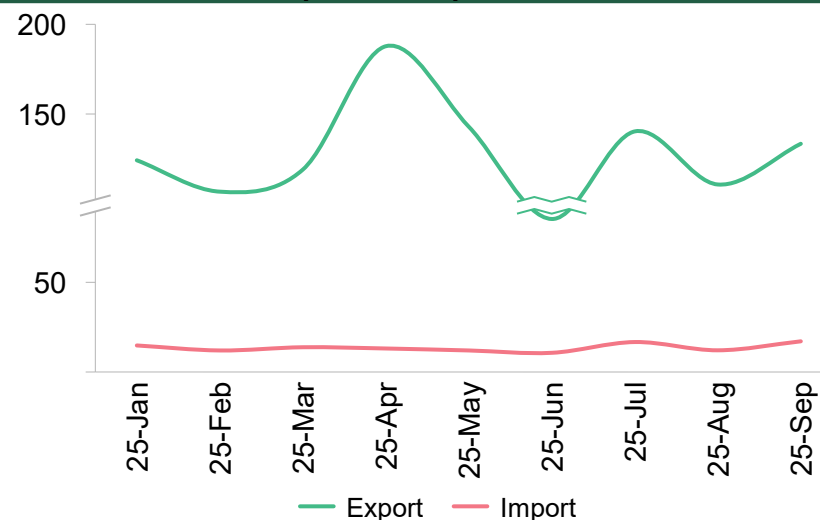


Global electrical steel trade slows as China faces Indian anti-dumping measures, driving sharp decline in Jun'25 exports.

Top Chinese Electrical Steel Mills

Mill Name	Electrical Steel Type	Annual Capacity (kT)
Baosteel	Grain-oriented and Non-oriented	4,500
AnSteel	Grain-oriented and Non-oriented	1,100
Wuhan Iron & Steel	Grain-oriented	400
	Non-oriented	1,600
Shougang	Grain-oriented	190
	Non-oriented	1,350
Valin Steel	Non-oriented	1,500
	Grain-oriented	160
TISCO	Non-oriented	1,200
	Non-oriented	1,120
Xinyu Iron & Steel	Non-oriented	716
Valin ArcelorMittal Electrical Steel	Grain-oriented	200
	Non-oriented	400
Maanshan Iron & Steel	Non-oriented	413
BenSteel	Non-oriented	350
HBIS	Non-oriented	250
Baotou Weifeng	Grain-oriented	80
Ningbo Yinyi	Grain-oriented	61

China Electrical Steel Import vs. Export, thousand tonnes

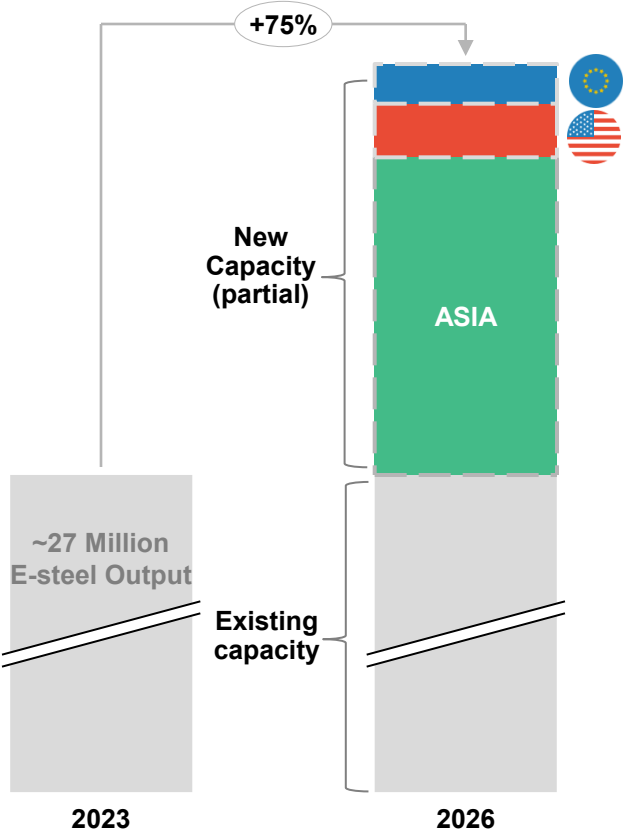


- In 2025, China's grain-oriented electrical steel exports are broadly spread, mainly to India, Mexico, Turkey, Italy, the UAE, South Korea, and Brazil, with most destinations growing; the fastest gains are Mexico (+71.8%), Italy (+61.9%), and Vietnam (+57.6%).
- Exports peaked in spring on front-loaded overseas orders and smoother logistics, dropped sharply in June as India curtailed Chinese NOES under anti-dumping, then normalized in late summer as volumes rerouted and seasonal restocking lifted shipments back to ~130–145 kt by September.



Major steelmakers target the burgeoning electric vehicle market with a billion-dollar pipeline of e-steel capacity expansion projects.

E-steel Capacity Development (top producers)
2023 vs. est. 2026, kT



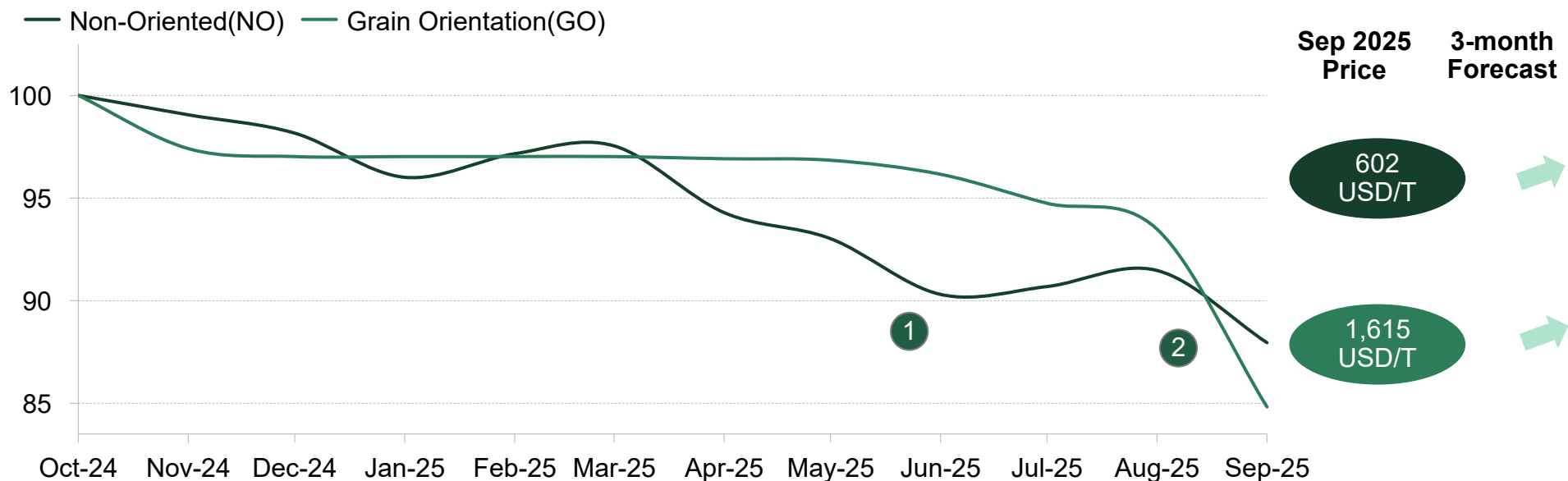
Mill	New Capacity, kT	2022	2023	2024	2025	2026	Type of e-steel		
							GOES	NOES	
(UssS)	200						-	✓	
CLIFFS	40%						✓	-	
ArcelorMittal	150						-	✓	
NIPPON STEEL	60%						✓	✓	
JFE	100%						-	✓	
JSW JFE	350						✓	-	
posco	300						-	✓	
BAOSTEEL	220						✓	-	
SHOU GANG	90						✓	-	
TISCO	80						✓	-	
华菱钢铁 VALIN STEEL	100						✓	✓	
WF	400						✓	-	
山东钢铁 SHANDONG IRON & STEEL	160						✓	✓	

Production Ramp-up



China electrical steel prices are threatened by weak demand and trade risks, but outlook points to a seasonal rebound and stronger GO support.

Average CN Monthly Indexed Price



Key Insights

- Prices softened in June due to **seasonal demand slowdown** and inventory overhang, as downstream buyers held back new orders after earlier stocking. Weaker raw material costs and already fragile steel demand amplified this mid-year correction.
- The sharp plunge was driven by **structural oversupply colliding with weak demand**, especially in transformers and infrastructure, leading mills to cut prices aggressively. Rising exports and global trade frictions further pressured the domestic market, accelerating the collapse.
- Price Outlook:** In the next three months, Non-oriented steel may rise on seasonal demand recovery and firmer costs, while Grain-oriented steel gains from strong export demand and short-term tightness in high-grade supply.



Applied Value Quarterly Steel Report

Q4 2025

Market Conditions by Region

Steel Production Costs

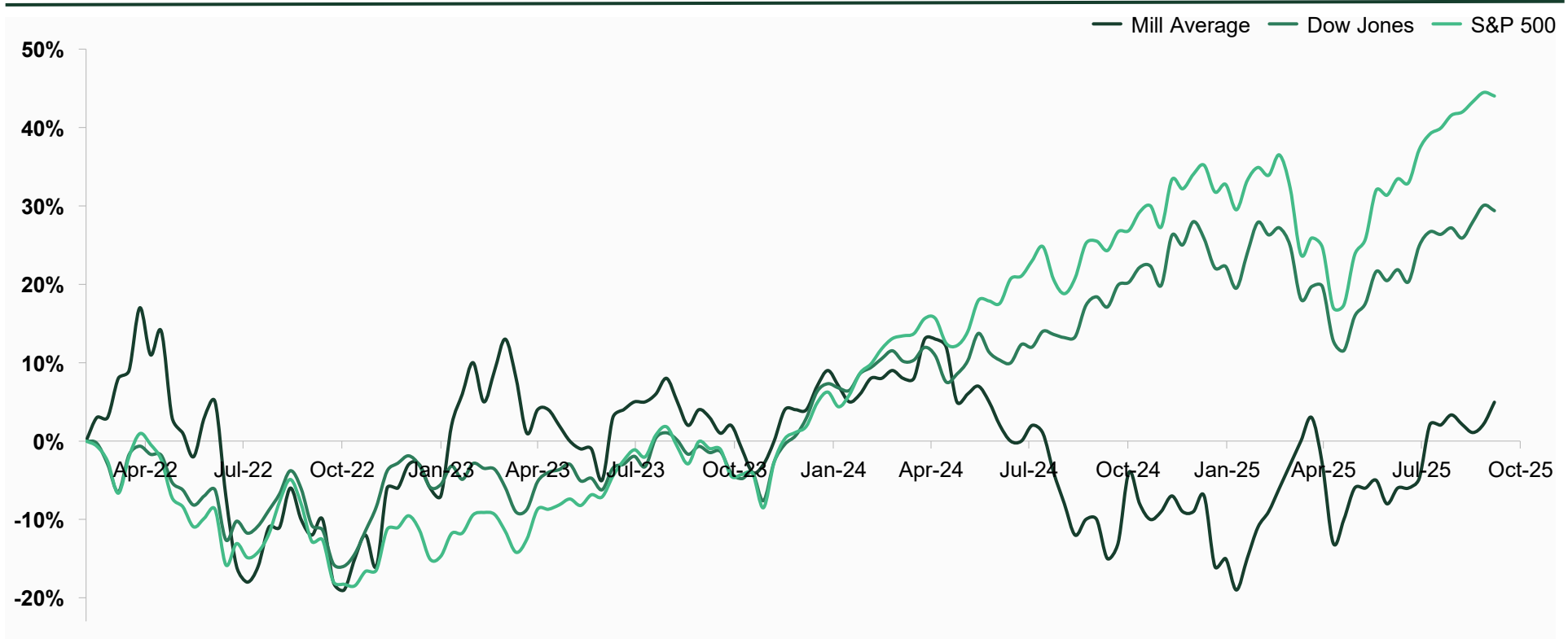
Special Section - Electrical Steel

Major Steel Mill Company Performance



Steel mill stock prices followed broader market gains in Q3'25, rising in line with key equity indices.










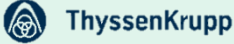

Stock Market Movement Feb'22 – Sep'25



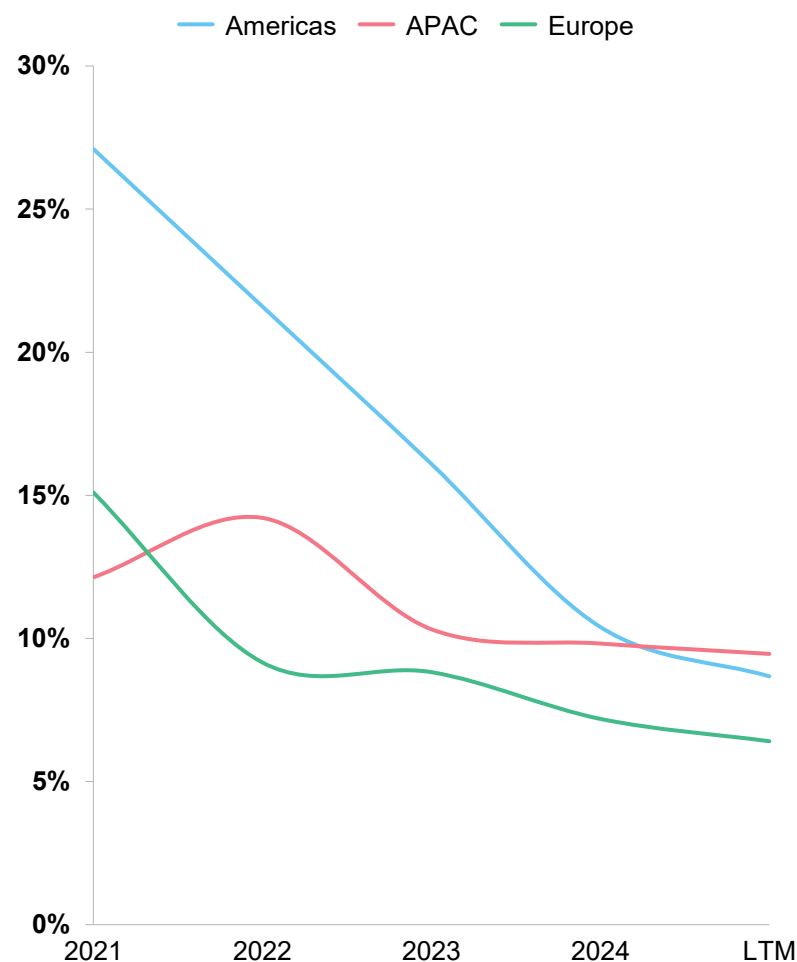
Best Performers:	<div>TATA STEEL42.5%</div>	<div>NUCOR32.4%</div>	<div>JFE28.6%</div>
Worst Performers:	<div>CLIFFS-39.6%</div>	<div>GERDAU-23.6%</div>	<div>voestalpine-3.6%</div>



US mills outperformed other regions since 2021, however the average US EBITDA % has been consistently falling.

Regions	Mills	EBITDA %				
		2021	2022	2023	2024	LTM ¹
Americas	 CLIFFS	25.1	13.6	8.8	3.6	1.9
	 GERDAU	28.3	23.2	18.1	13.6	12.5
	 NUCOR	27.9	27.9	21.3	14.1	11.6
APAC	 BAOSTEEL BAOSTEEL GROUP CORPORATION	13.3	8.5	9.0	8.6	9.0
	 HBIS 河钢集团 HBIS GROUP	10.8	9.2	10.8	11.2	11.0
	 JFE Steel Corporation	6.9	13.0	9.3	10.2	6.4
	 TATA STEEL	17.6	26.1	12.2	9.3	11.4
Europe	 ArcelorMittal	25.0	17.8	8.2	9.4	7.8
	 SSAB	22.3	-1.3	16.3	10.9	8.7
	 ThyssenKrupp	3.2	5.3	-2.4	1.4	2.4
	 voestalpine	9.8	14.8	13.2	7.1	6.8

Regional EBITDA Movement 2021-LTM



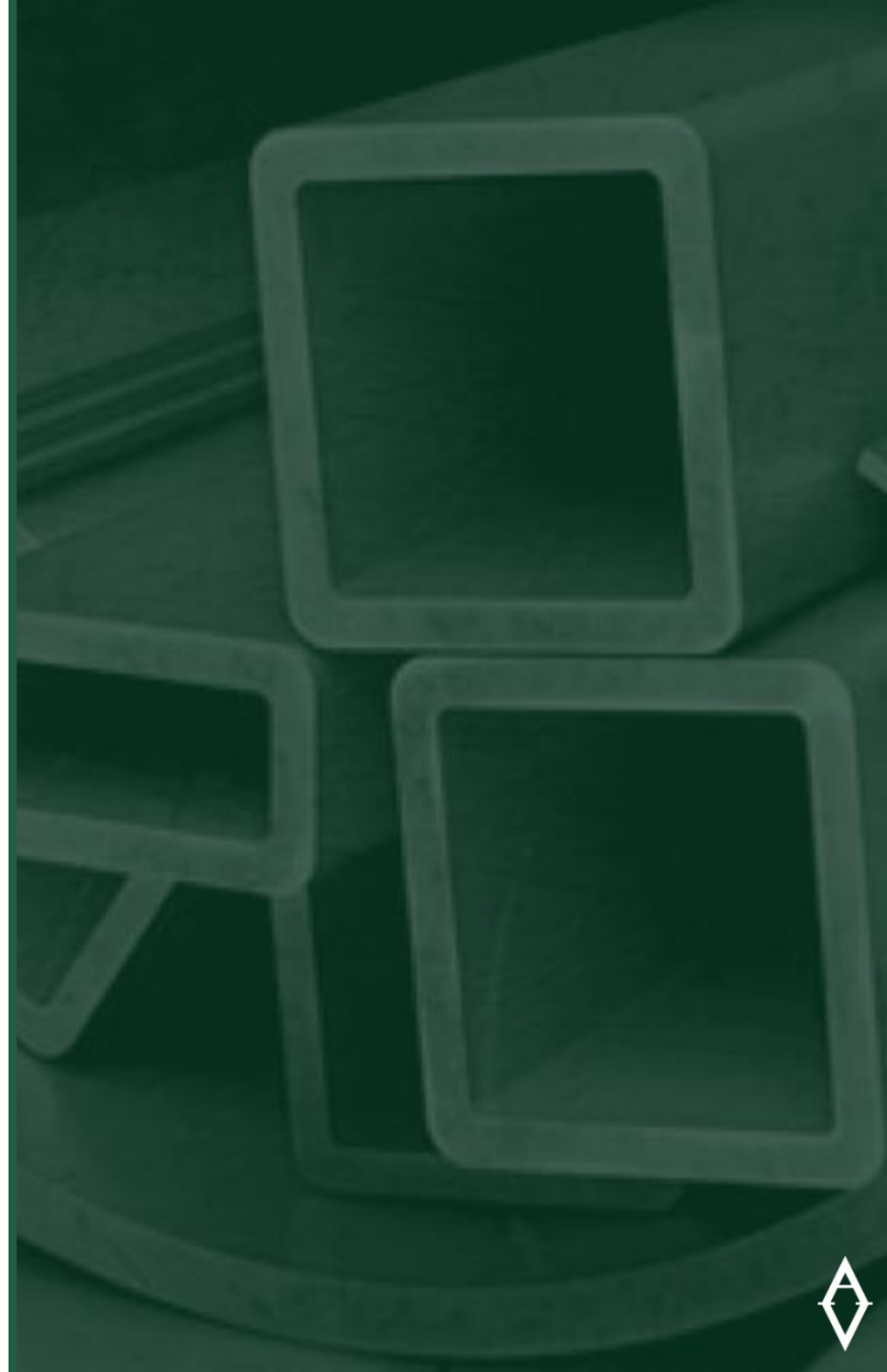
Note: ¹LTM refers to Q2'24 – Q2'25 due to data availability

Source: AV Analysis, CapitalIQ



Introduction to Applied Value


Background





Steel Sourcing has been a core competency at Applied Value for over 25 years.


Improvements provided by Applied Value

Process Improvements


Deeper transparency / cost granularity


Robust tools & templates


Improved negotiations process


Reduced risk exposure

Financial Improvements

Cost savings

Increased free cash flow

Reduced gross margin volatility

Improved payment terms

Why Applied Value?

Savings

Over \$1B+ in savings for our clients since 2009, with minimum 3X ROI return on fees (typically 5-10X+)

Expertise

Global experts in raw material categories with over 10MMTs negotiated since 2009 & a comprehensive quarterly steel report

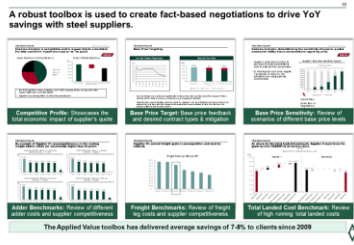
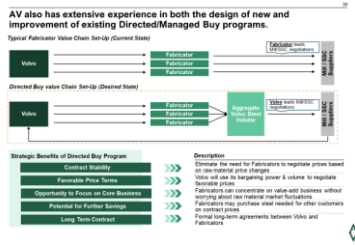
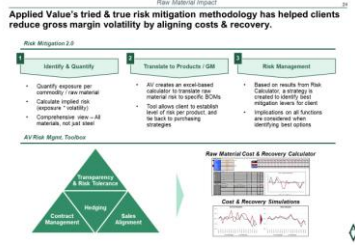
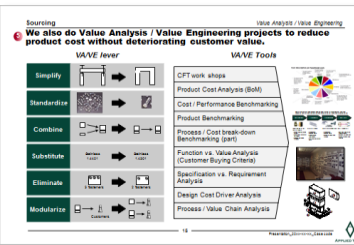
Hands-on approach

Work side by side with teams to execute & drive savings to the bottom-line; we typically don't leave until contracts are signed

AV has helped improve 50+ Fortune 500 companies & saved billions of dollars for its clients



Applied Value has an excellent track record of handling a wide range of projects within steel sourcing.

Sample Project Areas				
	Raw Material Tools & Negotiations	Managed Buy	Risk Management	VAVE / Technical Savings
Summary	Creation of world-class steel tools and execution of negotiations / savings	Taking control of steel value chain to generate savings opportunities	Tools & strategies to mitigate/track risk and understand effects of commodity volatility	Optimization of specs, scrap, etc. to generate & execute on savings ideas
Typical Timeline	~10-12 weeks	~16 weeks	~6-8 weeks	~10-12 weeks
AV Expertise / Value add	<ul style="list-style-type: none"> World-class customized tools based on decades of experience across OEMs & Tier 1s 	<ul style="list-style-type: none"> Functional expertise in setting up dozens of programs 	<ul style="list-style-type: none"> Elaborate risk mgmt. toolbox, executed across a variety of industries 	<ul style="list-style-type: none"> Decades of know-how in building elaborate data-driven models & customized templates
Typical Results	<ul style="list-style-type: none"> 4-8% savings 	<ul style="list-style-type: none"> 5-10% savings 	<ul style="list-style-type: none"> ~3% Gross margin volatility reduction 	<ul style="list-style-type: none"> Prioritized & quantified opportunities
	 <p>A robust toolbox is used to create fact-based negotiations to drive YoY savings with steel suppliers.</p>	 <p>Applied Value has extensive experience in both the design of new and improvement of existing Directed/Managed Buy programs.</p>	 <p>Applied Value's tried & true risk mitigation methodology has helped clients reduce gross margin volatility by aligning costs & recovery.</p>	 <p>We also do Value Analysis / Value Engineering projects to reduce product cost without deteriorating customer value.</p>





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