

# Capital Allocation at DCC with Copperleaf

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# Agenda

- 1 Introduction to Capital Allocation
- 2 DCC Capex Planning
- 3 Copperleaf Unleashed in Review

# In today's changing world, Capital Allocation is a business-critical activity

“The stakes have rarely been higher in capital allocation decision-making”



Source: Deloitte *Capital Allocation and Resilient Portfolios*, May 2023

# In today's changing world, Capital Allocation is a business-critical activity

- 01** | Capital discipline requires  
▶▶ a formal plan
- 02** | If you are not scenario planning, you  
▶▶ must urgently start
- 03** | ESG is no longer an  
▶▶ optional extra
- 04** | Allocating capital to ESG  
▶▶ initiatives creates value



Source: Deloitte *Capital Allocation and Resilient Portfolios*, May 2023

# In today's changing world, Capital Allocation is a business-critical activity

“Only 22% of organizations surveyed are very confident in the ability of their capital allocation approach to execute the organization's overall strategy and optimize return on capital.”



Source: Deloitte *Capital Allocation and Resilient Portfolios*, May 2023

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## DCC plc a FTSE 100 Company

We provide solutions the world needs across three transformative sectors: energy, healthcare and technology.

We acquire, improve and grow diverse businesses. We bring our growth mindset to our businesses creating long term value – for our shareholders, customers, society and the planet.

**22**

Countries

**16,600**

Employees

**10.1M**

Customers

**£683m**

2024  
operating  
profit

**£200m**

Annual  
CAPEX

**2050**

Net Zero

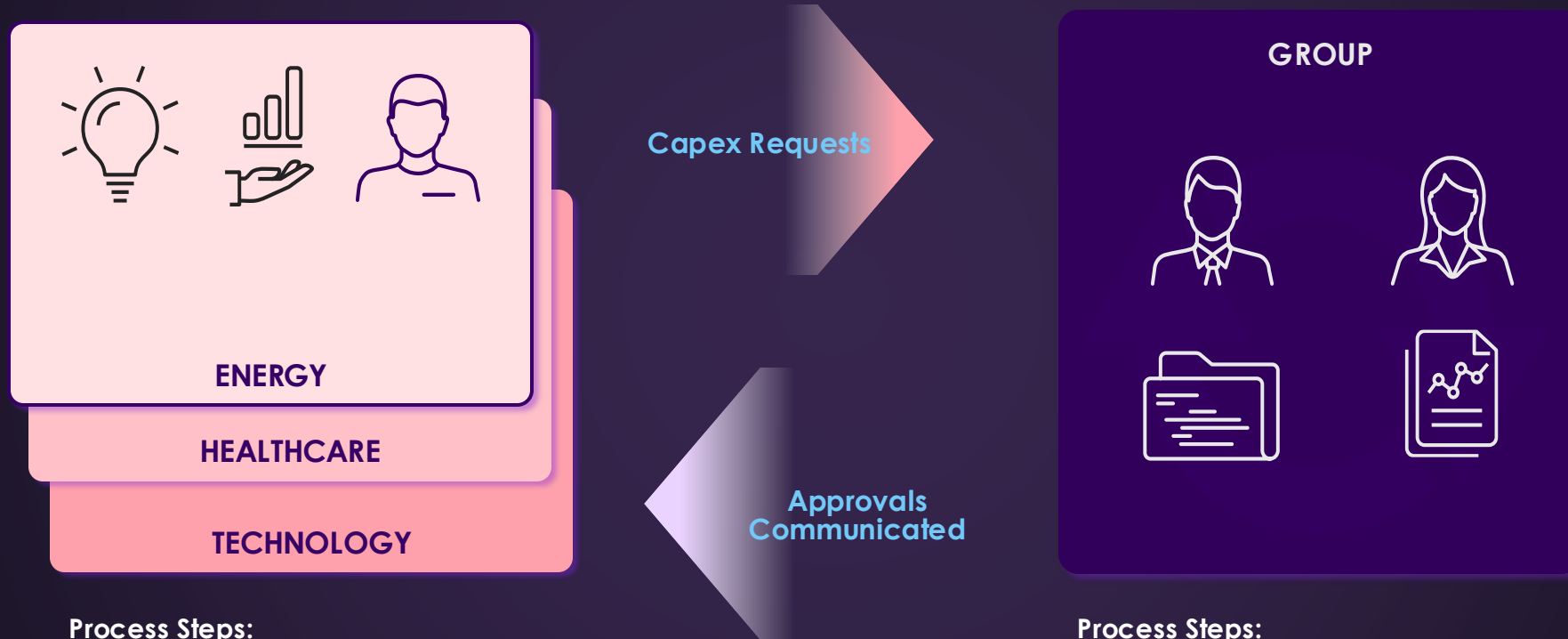


# The need for a CAPEX solution

- Typical CAPEX spend >£200 million
- Mix of repeat purchases (key maintenance equipment) and large-scale one-off development investments
- Expenditures managed through Word, Excel, Teams
- Limited automation in reporting, enhancements needed to facilitate differing spend across divisions



# A Capex solution to support multiple divisions with group-wide consolidation



## Process Steps:

- Proposal creation
- Business case development
- Divisional management approval

## Process Steps:

- Capital expenditure requests collaged
- Approval workflow and governance
- Group scenario analysis

## In search of a solution that will...

Enhance standardization and efficiency of CAPEX proposals and approvals

Provide effective comparison of proposals to budgeted and prior year spend

Allow better management of CAPEX spend through increased visibility into CAPEX project cost & performance

Offer flexibility and scalability to meet future requirements (e.g., ESG)

Offer greater control & visibility of CAPEX spend

# CAPEX solution main requirements

- ⚙️ Automation of CAPEX preparation and approval
- 🏠 Monitoring of CAPEX spend, including budget/forecast/actual
- ☁️ Interface solutions to multiple ERPs and/or template upload solutions for capturing actual CAPEX spend
- ➔ Workflows for CAPEX approvals across multiple thresholds
- 📊 Automatic calculation of key metrics (ROCE, after-tax cash payback, IRR, etc.)
- 📄 Robust reporting features (multi-division, multi-currency, global, ESG impact)
- ★ Post-completion project review

# Copperleaf was chosen as DCC's preferred partner

A market-leading capital allocation and investment planning solution with a strong global (and EMEA) presence

**DCC**



# How does Copperleaf help?

1

CAPEX Ideas &  
Valuation

2

CAPEX Approval

3

Continuous Planning  
Process

4

Comprehensive  
Scenario Analysis



# How does Copperleaf help?

## CAPEX Ideas & Valuation

- Creation of CAPEX requests
- Manage system access across multiple divisions and businesses
- Provide central visibility across CAPEX requests
- Flexible Value Framework
- Capture non-financial benefits e.g., CO2 emissions
- Multi-currency

## CAPEX Approval

- Manage the business, divisional, & group approval through a configurable workflow process
- Provide audit and data assurance across the approval process
- Route approvals to the appropriate resources based on configurable rules
- Manage change control approval process

## Continuous Planning Process

- Quarterly Reforecasting
- Incorporation of actual costs, milestones, & benefits against original forecasts
- Highlights variances & determines trends
- Allows the business to quickly adapt and manage capital portfolio

## Comprehensive scenario analysis

- Multi constraint scenario analysis
- Visibility of portfolio budget, plans, & expected financial outcomes
- Different exchange rate, inflation, and discount rate scenarios
- Actuals incorporated using performance management for early identification of over or under spend

## Why the Copperleaf team?

- UK-based CX team
  - Support w/ onsite workshops, particularly during key project phases
- Strong development team
  - Support future development “out of the box”
- Strong after-sales support
  - EMEA & global forums for client community to share best practice and influence product direction
- Ability to provide ERP interface for high frequency users and templated upload solutions for less frequent users
- Positive feedback from customer reference calls
  - *“The budget solution for the first year following implementation of Copperleaf suite was the best they had ever seen” (AES Corporation)*



# We are up and running with the implementation



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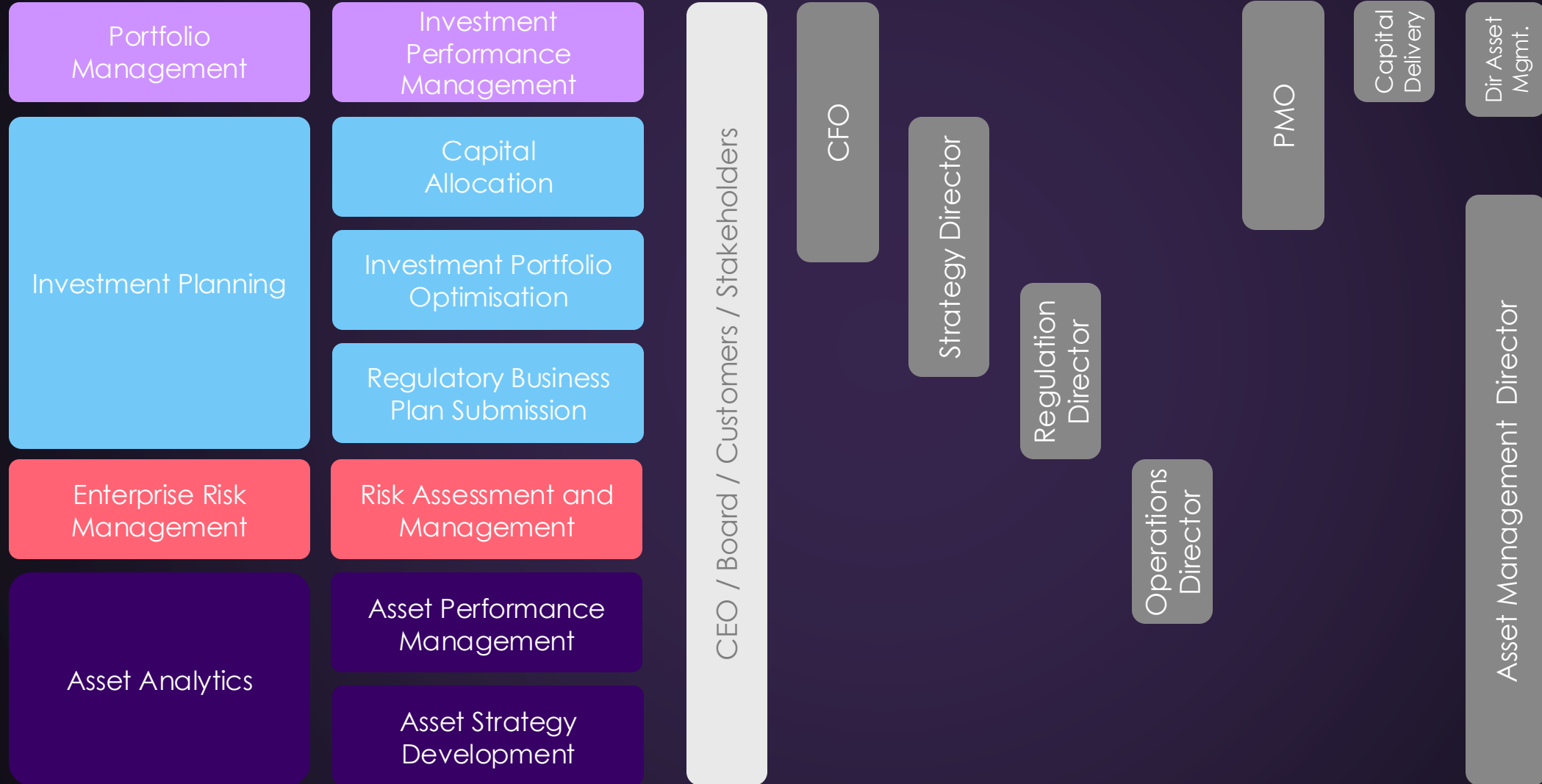
# Asset Investment Planning Use Cases with Copperleaf

Portfolio Management	Investment Performance Management	Manage and report the performance of the investment portfolio across cost, schedule and outcomes
Investment Planning	Capital Allocation	Manage the capital allocation and business case approval process for the CFO and Strategy Office
	Investment Portfolio Optimisation	Complete annual business planning & budgeting to develop near-term (e.g. 1-2 years) asset investment plans that maximise value
	Regulatory Business Plan Submission	Communicate and justify planned asset expenditures to the regulator / board / other stakeholders
Enterprise Risk Management	Risk Assessment and Management	Capture, assess and manage all risks across the enterprise (and link with the investment planning process)
Asset Analytics	Asset Performance Management	Model asset health, risk and outcome metrics (and link with the investment planning process)
	Asset Strategy Development	Develop asset strategies for the long-term (25+ years) to meet funding and resource constraints, asset service levels and risk targets.

# Asset Investment Planning Use Cases – Client Examples



# Asset Investment Planning Use Cases – Key Stakeholders



# Aligning Strategy, Tactical & Operational Decisions

Asset Investment Planning  
 Enterprise Asset Management  
 Project Portfolio Management  
 Asset Performance Management

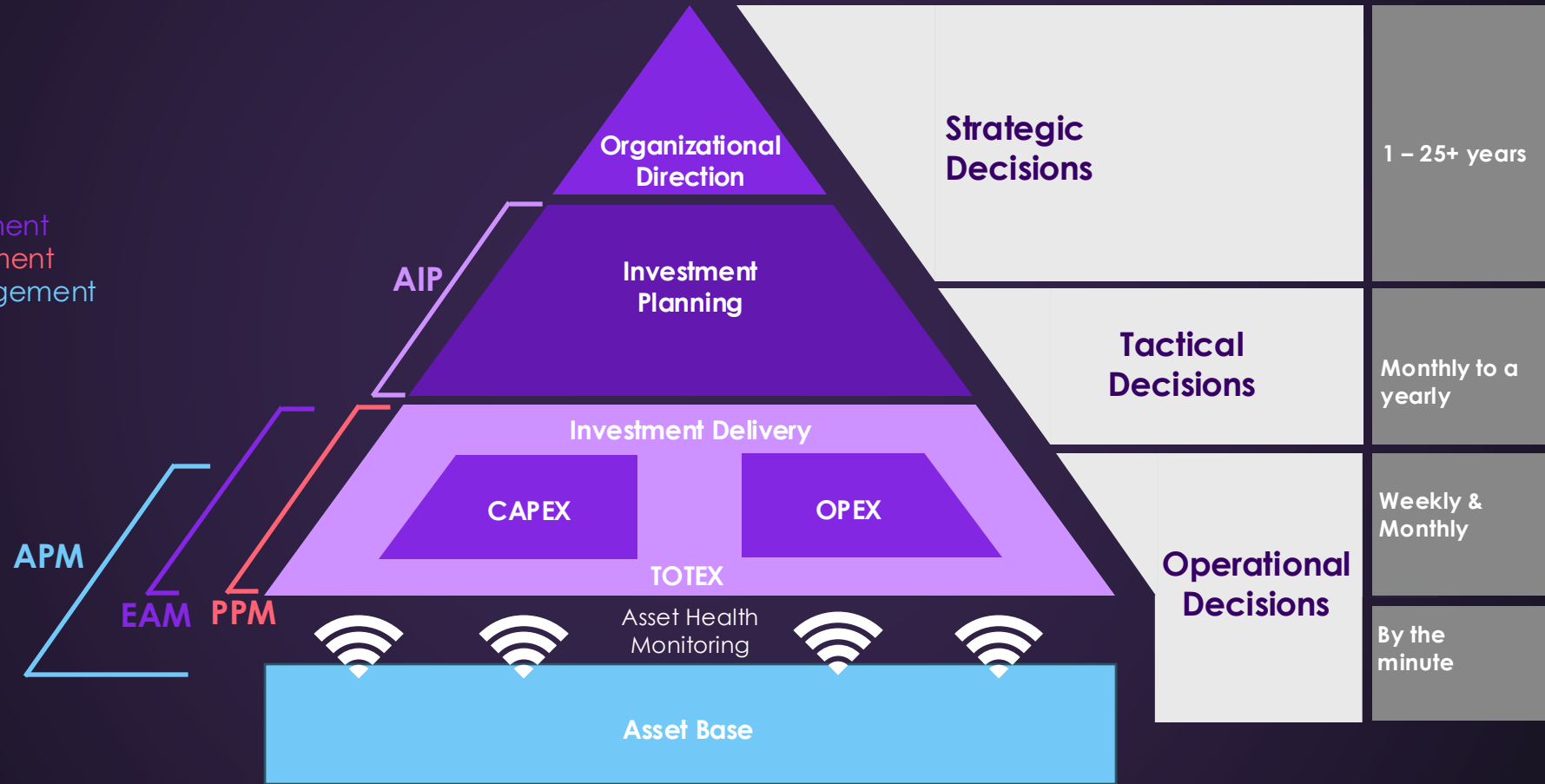


Figure replicated from Asset Investment Planning Solutions – A market study by AMCL + © Asset Management Consulting Limited – All Rights Reserved



# Key Copperleaf Clients

## ELECTRICITY

## NATURAL GAS

## WATER

## RAIL & TRANSIT

## ENERGY (Oil & Gas)

## CHEMICAL / PHARMA

## ROADS

## MULTI-INDUSTRY

## PORTS

## AIRPORTS





## Typical Benefits

Higher Capital  
Portfolio Value

13%

More investment  
plan value

Improved  
Asset  
Sustainment

30%

Reduced risk

Deliver  
Strategic  
Objectives

10%

Improved plan  
execution

Planning  
Process  
Efficiency

50%

Reduced  
planning time

# Copperleaf Unleashed – It's a Wrap

Tuesday

13:00 – 13:45

The Optimization Game

Tuesday

14:00 – 14:30

Alabama Power Case Study

Tuesday

15:00 – 15:30

Introduction to Copperleaf for IFS Customers

Wednesday

13:00 – 13:30

Master Asset Investment in a Zombie Apocalypse

Wednesday

14:00 – 14:30

Optimal Substation Asset Planning at Baltimore Gas & Electric

Wednesday

15:00 – 15:30

Anglian Water: Value Frameworks Copperleaf

Wednesday

16:00 – 15:30

Optimizing Capital Allocation with Copperleaf



**UNLEASHED**