



EURO ALLOYS LIMITED – GRADUATE TRAINING SCHEME 2022

OVERVIEW

- Global metal trading company headquartered in Bridgend , South Wales, UK, trading since 1990.
- Small , friendly and growing family run group with revenue > \$100m
- New 3 year graduate training programme rotating between departments with view to develop into Junior Trader role
- Permanent full time employment contract starting at £22-26k + benefits
- Hybrid working + International travel

Company background

Euro Alloys is a UK company established in 1990 that physically trades in metals and nonferrous metals concentrates. We are one of the leading companies in Europe for the sale of aluminium wire rod, which is used for wire and cable applications in many industries, such as overhead and underwater electrical cables, and the construction industry. We trade in variety of other non ferrous metals including aluminium scrap, copper wire rod and copper scrap, tin, lead, zinc; and in concentrates e.g. copper, silver lead.

Our Swiss subsidiary , Ferrotrade Consulting AG (Zurich) , trades in ferrous metals including magnesium, pig iron, and steel products.

We are a small and friendly family-owned group of companies of less than 30 people, all highly specialised for our sector. We do not manufacture or process any goods, instead we purchase from suppliers from around the world, and sell to customers who are within the fabricating industries. We trade globally, with annual revenues typically > \$100m.

Being a trading company, every day is different. On the one hand, we have worked with many of our suppliers and customers for many years if not decades. On the other hand, our trade flows are continually changing and posing fresh challenges – whether it be new customer, product, warehouse, financier etc. The role will suit someone who is keen to continually learn , develop , collaborate , and think on their feet.

This is a unique opportunity for joining a dynamic, friendly company, with opportunity to develop an excellent long-term career.

Our basic company structure is :

Trading

The traders are responsible for negotiating purchase and sale contracts with our suppliers and customers. Such role requires a good general business acumen developed over time, and a solid understanding in all the elements that make up the trade , as outlined below :

1. Technical knowledge in the products they trade (although this does not require technical qualifications and can be learned on the job).

2. Operational experience, e.g. how long it takes to get metal from Mozambique to Italy, how much it costs, how to respond to problems in shipments.
3. Hedging expertise – the price of Aluminium (for example) is quoted on the LME (London Metal Exchange), and the LME price changes daily. The amount we pay our suppliers, and receive from our customers, is usually based on the LME price for a defined time period. Euro Alloys must manage this risk to ensure we are not financially exposed to movements in the LME price – we do this via a process called hedging.
4. Financial aptitude – Like all trading companies, and although we have a certain amount of our own capital to invest in the business, Euro Alloys requires financing in order to increase volumes. The trader must ensure that their trades are compatible with the type of financing available, and that their trades can carry the cost of financing incurred.

Euro Alloys traders are based around the world e.g. Europe, South America, Asia.

Price Risk Team

Euro Alloys price risk team manage the hedging process for the metal and metal concentrates we trade in (point 3 above), also for our FX. This requires detailed understanding of the trade flows and the expected time gap between buying from our suppliers and releasing to our customers.

Shipping Team

Euro Alloys shipping team manage all the physical operations of the company, i.e. arranging for the movement of the metal / concentrates around the world, from our suppliers to our customers, often with a period in a third party warehouse. The shipping team also ensures compliance with regulations and legislation.

Finance & Treasury

The Finance teams manages risk-focussed matters such as:

- Performing due diligence on counterparties before we trade with them
- Credit insurance – applying for and managing insurance for customers that we give credit to.
- Credit control – monitoring customer due dates and ensuring customers pay us on time.
- Treasury – supplying relevant information about trades to financing partners and securing financing for the trades.

Graduate Trainee Scheme

The graduate trainee will be expected to rotate through the Shipping / Finance / Pricing roles described above. The time spent in each department will vary dependent on trainee performance and company requirements, usually it would take three years. Dependent on performance, the trainee could then move into a Junior Trader role, working with one or more of our experienced traders.

All training will be provided on the job – you will be learning from experts in each department who have > 10 years experience in their field.



Place of work

Euro Alloys has a permanent office in Bridgend, South Wales, where the trainee will be expected to be based. We operate a hybrid working system between the office and working from home. We are a global company and rely heavily on IT solutions (primarily cloud-based) and we are a paperless company.

International travel is a core element of a Trader's job requirement. The trainee programme will also include national & international travel e.g. visiting warehouses and meeting financial and insurance partners. The Euro Alloys group also has a Swiss office, which the trainee will need to visit to meet colleagues and learn about the trade flows. As a Junior Trader, there will be increasing travel in order to e.g. meet suppliers and customers.

Key requirements

- Minimum Grade 6 (B) GCSE Maths & English Language
- Minimum of 120 UCAS points under the 2017 tariff point system at A Level or equivalent qualifications (General Studies is not counted)
- Minimum 2:1 degree in any discipline
- Fluent English
- Excellent analytical ability, both verbally and numerically.
- Ambition to learn, develop, and travel internationally.
- Confident and friendly communication skills.
- Microsoft office experience including Excel

Salary

Starting salary £22,000 to £26,000 dependent on experience, with increases commensurate with performance and experience. EA will offer a permanent employment contract to the successful applicant.

The company operates a discretionary bonus system. Other benefits include company pension, private medical insurance, and personal travel insurance.

We are an equal opportunities employer and we welcome applications from all suitably qualified persons. Applicants must have right to work in the UK.

Selection procedure

Please submit your **CV & brief cover letter along with your response to Scenario 1 below**, no later than **Wed 6 July 2022**.

Assessment and Interviews Fri 8 July 2022 at our Bridgend office / remotely. Start date as soon as possible.



All applications or queries should be emailed to admin@euro-alloys.com (please do not call).

Successful candidates will be invited for interviews and further assessments on Fri 8 July which will be held in our Bridgend office and remotely where required. Job offer will be made to successful candidate within July, with start date as soon as possible thereafter.

Scenario 1

One of the traders at Euro Alloys (EA) has negotiated potential terms as follows:

Purchase 50 containers of aluminium wire rod from a new supplier in the UAE. Each container contains 24 MT (1MT = 1,000kg). Purchase price is \$3,250 / MT.

The trader knows a number of customers in Italy who are interested in buying the metal. The trader plans to store the metal in a 3rd party Italian warehouse for 30 days, and then release it to the customers.

The trader has checked with EA shipping team, who have advised that :

- The cost of shipping the 50 containers from UAE to Italy will be \$500 per container.
- The warehousing cost is €0.25/MT per day (assume FX rate of 1.08 EUR to USD)
- The cost of insuring the goods from UAE to the warehouse is 0.1% of the cost of the goods.

The trader has also discussed with the finance team regarding cost of financing. The trader estimates it will be 60 days between EA paying for the goods, and EA receiving payment from its customers. The finance team has discussed the trade with its bank and confirms to the trader that the cost of financing is at 5% annual rate (pro rated for the number of days of financing required).

Company policy is for EA to make a 10% gross margin on all its sales.

1. What price (\$/MT) should the trader offer the goods to the customers at ? Please provide your workings (preferably in Excel).
2. Please comment on two potential risks you identify in the scenario above, and how the trader could mitigate these risks.

EA successfully concludes the purchase and sale contracts, and the metal is successfully shipped from UAE to Italy, and then released to the customers. On one delivery, one of our long-standing customers advises us that one of the coils of aluminium wire rod, weighing 2MT, was damaged. We enquire with the 3rd party warehouse , and we learn that it accidentally fell off their fork lift truck in warehouse when they were moving it.

3. What would be your proposed actions regarding the damaged coil ?