



WITTUR

# Financial Results 6M 2015 Investor conference call

August 28, 2015

PUBLIC INFORMATION ONLY



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Paternoster Holding III GmbH (the “Issuer”) is providing the following results presentation (this “Presentation”) in respect of the results of Wittur International Holding GmbH (the “Company” and together with its subsidiaries, the “Wittur Group” and together with the Issuer and its other subsidiaries, the “Group” for the period ended June 30, 2015 in connection with the Issuer’s €225.0 million in aggregate principal amount of 8.50% Senior Notes due 2023 (the “Notes”). This presentation should be read with reference to the Bond report for the first six months of Wittur International Holding GmbH, “Wittur Group” in respect of the period ended June 30, 2015. Paternoster Holding III GmbH consolidated financial statements, as at March 2015 and June 2015, are part of the Wittur Bond report for the six months ended June 30, 2015. This presentation should be read with reference to the Bond report for the first six months of the Issuer, which include the results of the “Wittur Group” in respect of the period ended June 30, 2015. The consolidated financial statements of the Issuer and the Wittur Group, as at June 30, 2015, are included in the Wittur Bond report for the six months ended June 30, 2015.

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## Forward-Looking Statements

This Presentation includes statements that are, or may be deemed to be, “forward-looking statements,” within the meaning of the securities laws of certain jurisdictions. These “forward-looking” statements appear in a number of places in this Presentation and include but are not limited to statements regarding the Group’s plans, intentions, beliefs, expectations and assumptions as well as other statements that are not historical facts. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “anticipate,” “expect,” “suggests,” “plan,” “believe,” “intend,” “estimates,” “targets,” “projects,” “should,” “could,” “would,” “may,” “will,” “forecast,” and other similar expressions or, in each case, their negative or other variations or comparable terminology. When considering these “forward-looking” statements, you should keep in mind that a number of factors that are beyond the Group’s control could cause actual results to differ materially from the results contemplated by any such forward-looking statements. These forward-looking statements include all matters that are not historical facts. We believe that the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Presentation should not be unduly relied upon. These statements speak only as of the date made.

# Today's presenters



**Dr. Walter Rohregger**  
CEO Wittur Group



**Dr. Daniel Wiest**  
CFO Wittur Group

# Agenda

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- The diagram features a vertical line with a grey sphere at the top and bottom. A grey cube with the WITTUR logo is positioned on the line, corresponding to the first agenda item. To the right of the line, five grey triangles point right, each containing a number from 1 to 5, corresponding to the agenda items.
- 1 **Highlights**
  - 2 Business performance
  - 3 Financial performance
  - 4 Strategy and outlook
  - 5 Q&A and appendix

# Wittur Group with accelerated growth rate and reduced leverage



- All financial figures included in this presentation refer to Wittur Group without impact from the Paternoster corporate structure. Paternoster Holding III GmbH consolidated financial statements are for the first time included in the Bond report pages 36 to 39.
- Revenue of first six months 2015 increased by 17.3% to € 289.3m supported by Asia and Europe
- Order Intake was 14.9% higher than PY in six month period ended June 2015
- Orders on Hand at the end of Q2 2015 13.0% higher than at the end of Q2 2014
- Gross profit grew 15.5% in six month period ended June 30, 2015
- EBITDA Adjusted reached € 42.9m, up 16.1% over previous year's first six months
- Net cash flow before financing activities of € 26.9m on similar level as prior year's period
- Merger agreement with Sematic was signed on August 10th

# Financials at a glance:

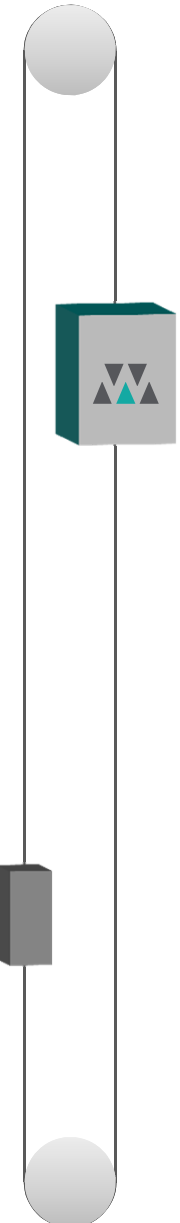
## Strong growth of EBITDA Adjusted and reduced leverage



in € million	6M 2014	6M 2015	Change
Revenue	246.6	289.3	17.3%
EBITDA Adjusted <sup>1)</sup>	37.0	42.9	16.1%
EBITDA Adjusted <sup>1)</sup> margin	15.0%	14.8%	-0.2%
Profit (EAT) for the period	13.0	10.9	-16.4%
Net cash flow used in investing activities	-1.5	-3.3	114.2%
Net cash flow before financing activities	27.3	26.9	-1.3%
Number of doors	741,191	809,943	9.3%
	31.12.2014	30.06.2015	Change
Pro forma Paternoster III Group Net Financial Debt <sup>2)</sup>	423.7	403.1	-4.9%
Pro forma Paternoster III Group LTM EBITDA Adjusted <sup>3)</sup>	75.7	81.6	7.8%
Ratio of pro forma Paternoster III Group Net Financial Debt to LTM EBITDA Adjusted	5.60x	4.94x	+0.66x

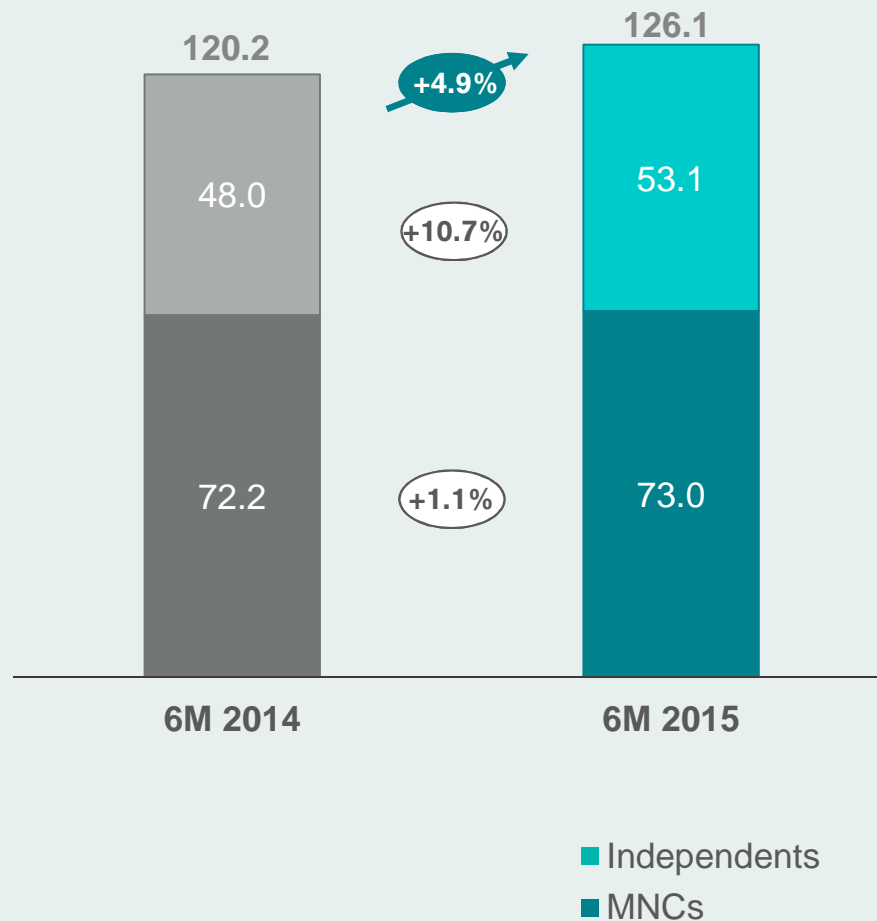
- (1) EBITDA Adjusted: consolidated net result for the period adding back finance expense, finance income, income taxes and depreciation and amortization after adjusting for extraordinary income and expenses
- (2) Pro forma Paternoster III Group Net Financial Debt: 3rd party short and long term borrowings including finance leases less cash and cash equivalents
- (3) Pro forma Paternoster III Group LTM EBITDA Adjusted: Wittur Group 9M EBITDA Adjusted is used prior to acquisition and 3M of Paternoster III Group EBITDA Adjusted post acquisition

# Agenda

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# Wittur Europe with respectable growth

Revenue development (in €m)



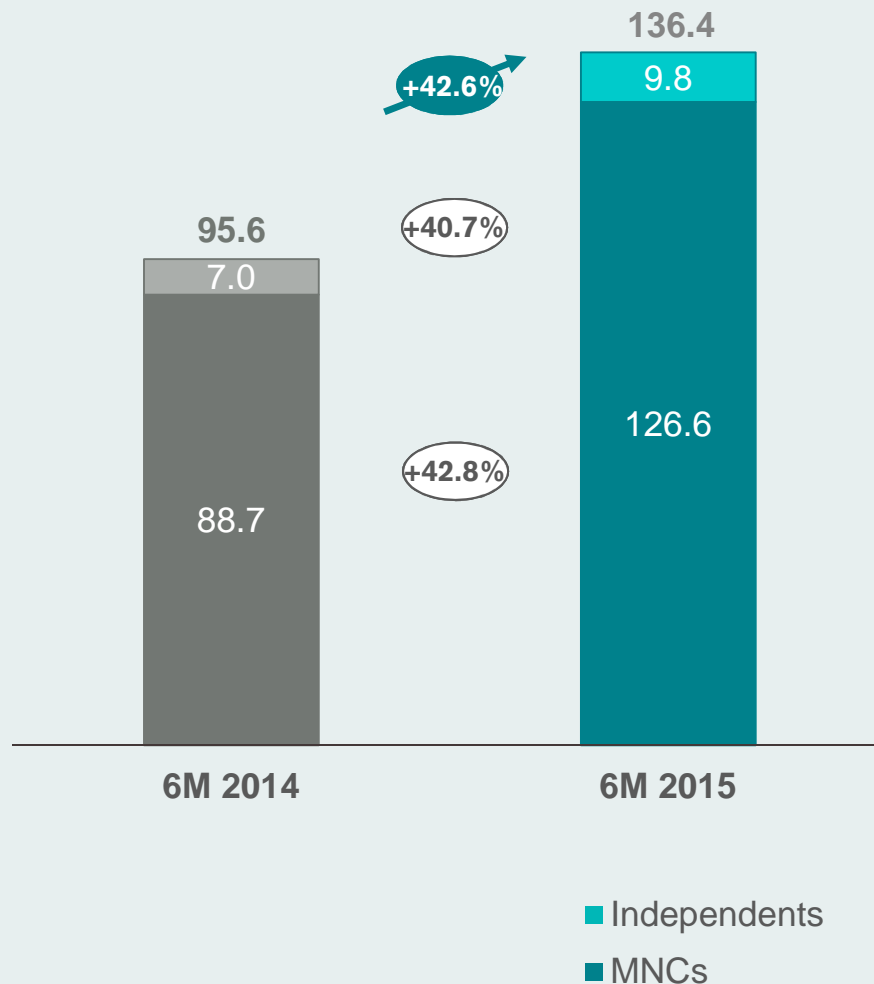
- Revenue growth in Europe of 4.9% to € 126.1m is mainly due to increased sales to Independents.
- Good performance in Italy, Austria, Germany and the UK offset by slower market recovery in Spain and France
- Sales to Independents grew in the six month period, continuing a two year trend, and contributed 42.1% to European revenue, an increase in sales value of 10.7% from prior year.
- Sales to Multinationals grew by 1.1% also continuing a trend of six monthly growth over the last two year period.





# Wittur Asia strongest revenue contributor

Revenue development (in €m)



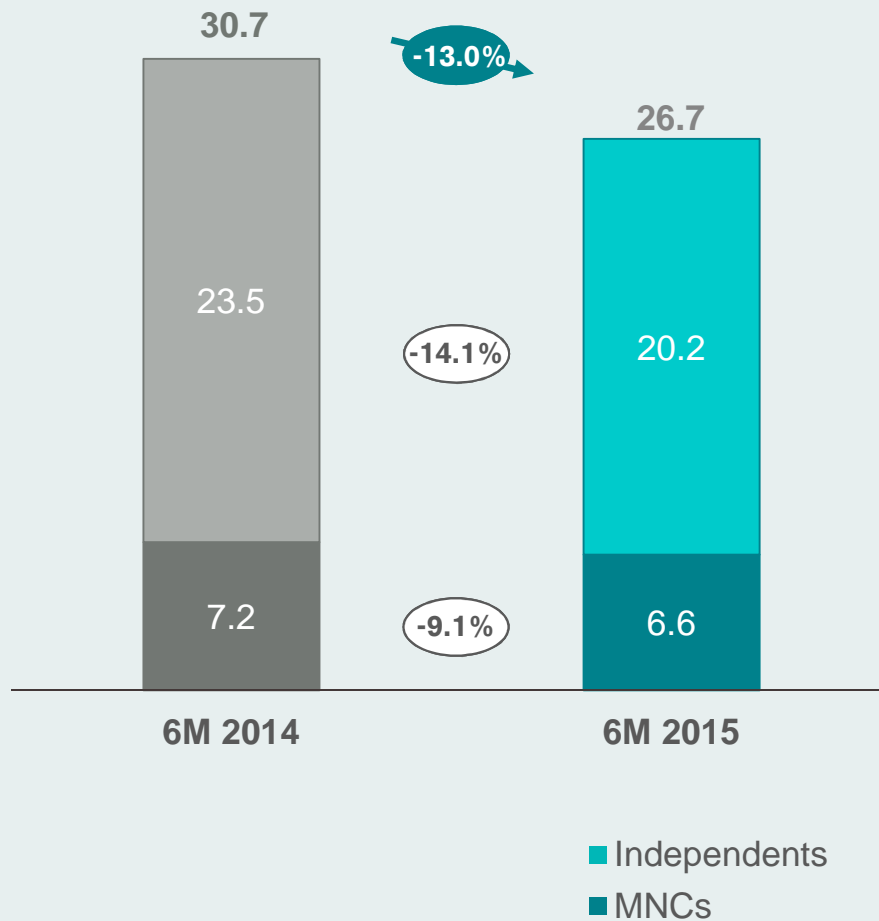
- Asia generated € 136.4m, or 47.2% to total group revenue, in first six months 2015, thereby overtaking Europe, for the first time, as the largest revenue contributor
- Sales increased by 42.6% in the six month period or 16.5% at comparable exchange rates
- Despite weaker macroeconomic conditions in China, strong top line performance could be maintained, driven by our focus on quality and on time delivery as well as our comprehensive product portfolio
- In addition, our business benefited from our close cooperation and good relationship with market-leading Western MNCs
- Sales to Multinationals remained stable at 92.8% of revenue, with an absolute value increase of € 37.9m



The Gate of the Orient  
Suzhou, China (2015)

# Wittur Rest of World: Revenue impacted by weak Russian economy

Revenue development (in €m)



- Revenue in ROW region declined by -13.0% or € 4.0m to € 26.7m mainly due to:
  - reduced sales to Russia of € -5.0m caused by the weak economic climate, which is now showing signs of recovery and
  - unstable economic climate in Latin America particularly in Argentina due to political unrest, which leads to pressure on margins.
- 75.5% of Revenue in the region is from Independents
- Construction of door panel plant in Brazil in progress with construction completion anticipated for end Q3 and production commencement by the end of Q4 2015.



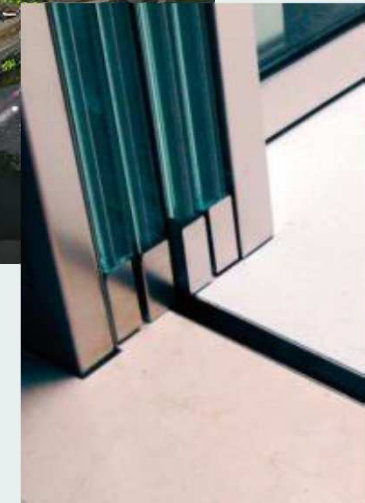
Morocco Mall, Casablanca, Morocco (2014)

# Partner of choice for high profile applications

Wynn Palace luxurious resort in Macau



- Latest luxurious integrated resort development project in Macau
- Scheduled to open in the first half of 2016, featuring 1,700 rooms and suites, an 8-acre performance lake, luxury retail and fine dining and much more...
- **Wittur Hong Kong is supplying 574 fire-rated Hydra landing doors in different executions and 73 Hydra car doors sets incorporating the “hidden sill group” concept**





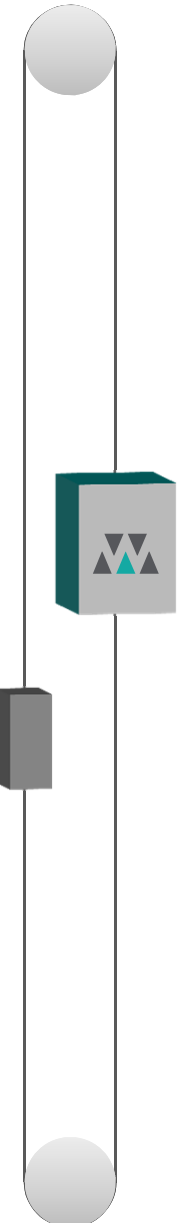
# Wittur innovation projects shape industry trends: MRM W Line

Interlift  
2015



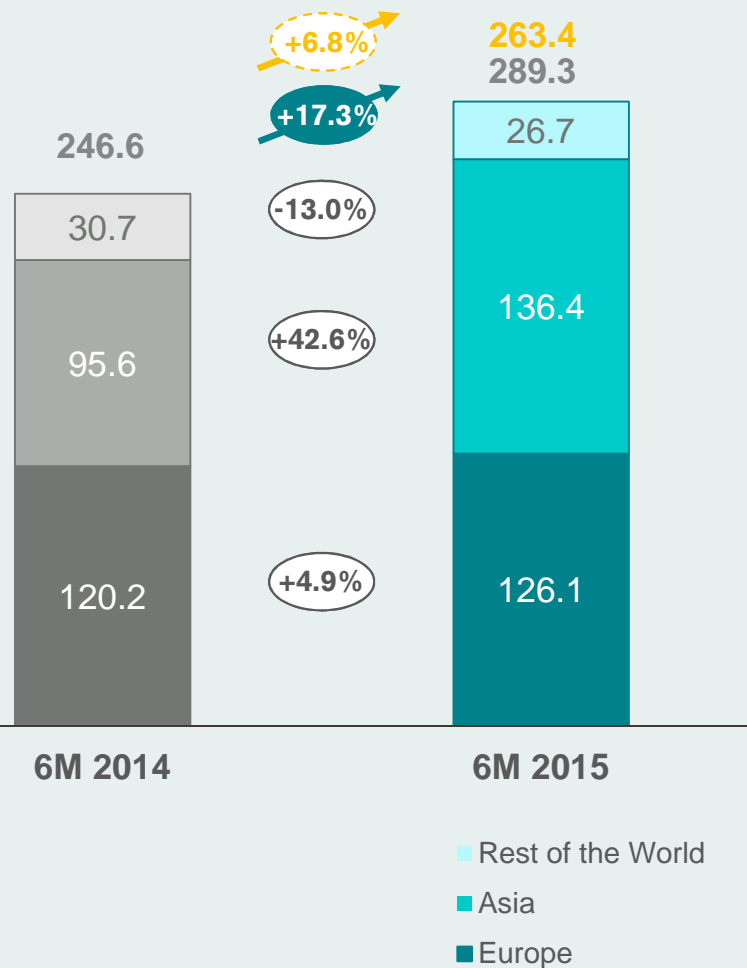
- The MRM W Line is Wittur's flexible machine roomless electric elevator designed to optimise the shaft space, based on modular construction with reduced pit and headroom height
- Quick installation
- Durable and reliable
- A silent and comfortable ride
- Compact design with reduced dimensions
- Reduced energy consumption

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# Accelerated Revenue growth in first six months 2015

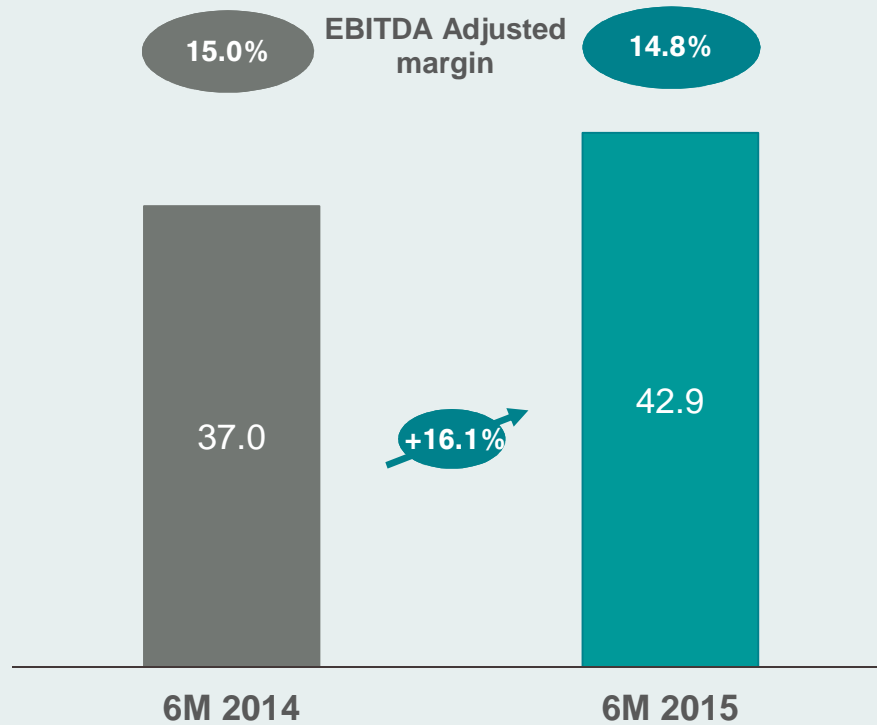
Revenue development (in €m)



- Revenue increase of 17.3% to € 289.3m with growth in Europe and Asia
- Foreign currency exchange rates against the euro had a positive impact of € 25.9m on 6M 2015 revenue when calculating with 6M 2014 average FX rates. Revenue growth using 6M 2014 FX rates would be 6.8% which represents an acceleration from the 4.7% increase in 3M 2015
- Impact of foreign exchange in 6M 2015 in Asia was € 24.9m. Revenue growth would be 16.5% excluding foreign currency translation impact

# Strong EBITDA Adjusted growth in 6M 2015

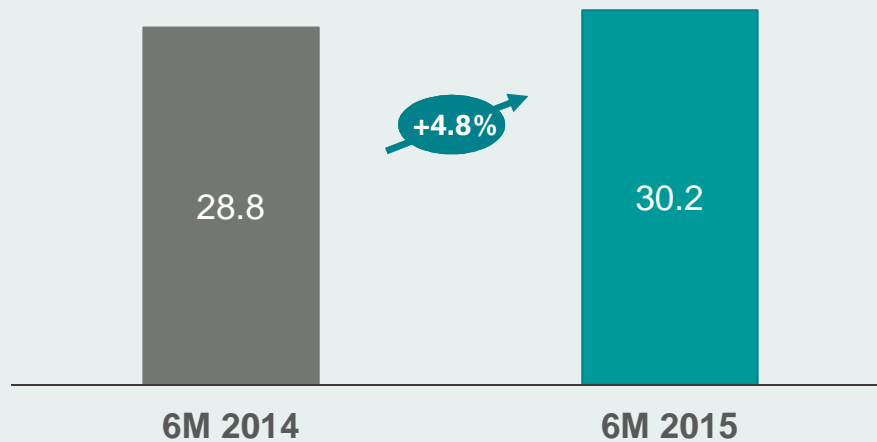
## EBITDA Adjusted development (in €m)



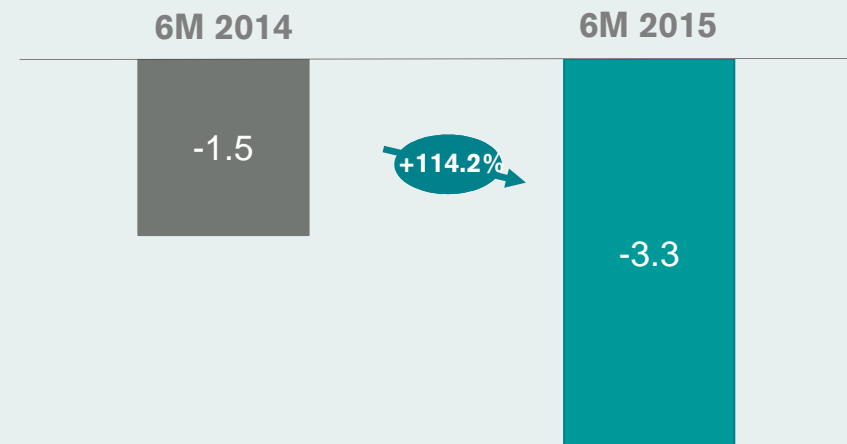
- 6 month EBITDA Adjusted of € 42.9m is +16.1% above prior year
- LTM EBITDA Adjusted grew strongly compared to June 14 LTM by 14.4% to € 81.6m
- Gross Profit growth of 15.5% as result of
  - I. revenue growth
  - II. purchasing savings due to supply chain optimization measures
  - III. reassessment of warranty provision due to continued quality improvement of our products and reduced customer claims over last 3 years.
  - IV. offset by increased indirect labour cost from expanding our production footprint
- Increased overhead costs mainly as a result of:
  - I. cost of biennial fair in Turkey
  - II. Investment in sales force and increased indirect labour cost due to strengthening administrative and corporate functions to support future growth

# Operational cash flow remains strong

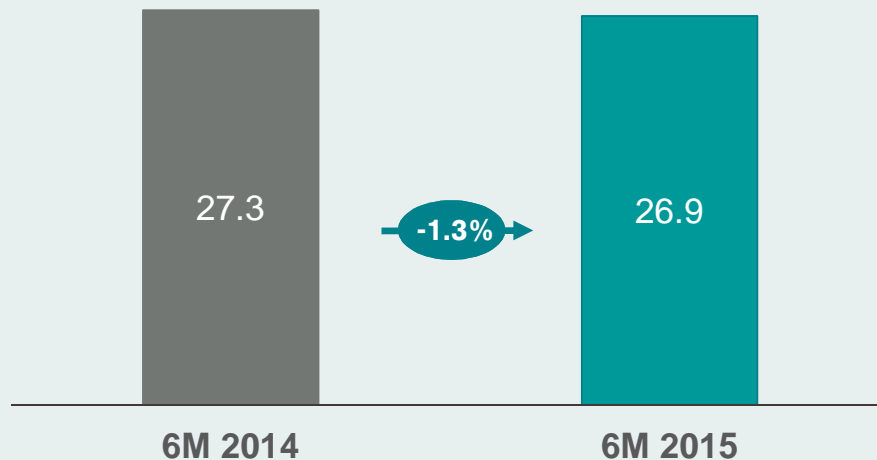
Net cash flow from operating activities (in €m)



Net cash flow used in investing activities (in €m)



Net cash flow before financing activities (in €m)



- **Net cash flow from operating activities increased** mainly as a result of increased EBITDA Adjusted partially offset by:
  - I. one off transaction costs associated with M&A activities
  - II. higher cash taxes on higher EBT
  - III. higher withholding tax payments on intragroup dividend payments.
- **Capital expenditure higher in 2015** primarily due to the sale of a building in Italy in January 2014, which led to cash proceeds of €1.6 million in Q1 2014.



# Paternoster III Group – Net Financial Debt and Leverage Ratio



Strong operational performance leads to substantially improved leverage ratio

in € million	Pro forma As if transaction occurred at 30.09.2014	Pro forma As if transaction occurred at 31.12.2014	Pro forma As at date of transaction 31.03.2015	Pro forma As of 30.06.2015
Bond Senior Notes	225.0	225.0	225.0	225.0
Senior Secured Term Loan B	195.0	195.0	195.0	195.0
Revolving Credit Facility	0.0	0.0	25.0	0.0
Ancillary Credit Facility	0.0	0.0	0.0	1.5
Finance Leases	3.8	3.7	3.7	3.6
Other Bank debt	5.6	5.4	5.7	12.3
Less cash & cash equivalents	-5.6	-5.4	-52.9	-34.3
Total Net financial Debt	423.8	423.7	401.5	403.1
LTM EBITDA Adjusted	70.9	75.7	76.6	81.6
Ratio of Net financial Debt to LTM EBITDA Adjusted	5.98x	5.60x	5.24x	4.94x

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# Wittur's key strategic initiatives: Company-wide continuous operational improvement



Wittur China



Wittur Brazil



Wittur Italy

- Invest in the state of the art automation, resulting in increased productivity, thereby always focusing on quality and safety first
- Embedding a continuous improvement culture on the shop floors and in our plants
- Our strategic approach also includes focusing on sustainability and environment, placing importance on Occupational Health and Environmental Services (OHES)



**Wittur won the KONE Supplier Quality Award 2015  
(Quality and OTD Performance)**

- Q3 2015: good order intake; Sales and EBITDA Adjusted projected in line with expectations
- Moderate growth expected for global elevator market in 2015
  - New installations: mid single digit percentage growth in 2015
  - Modernizations: stable or slight growth
- Europe: In a mixed market environment, a stable or slightly growing overall development of the new installation and modernisation markets is expected with South Europe remaining at a weaker level
- Asia: The new equipment market is expected to be stable or show small growth but still with a high absolute number of lifts
- Rest of World: Completion of construction & start of production of new Wittur plant in Brazil is predicted to occur late Q4 2015.
- 2015 Capex spending comparable to previous years
- Revenue and EBITDA Adjusted for full year 2015 expected to be above 2014 levels
- Closing of Sematic acquisition expected for Q4 2015 / Q1 2016

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# Q&A and contact



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CEO Wittur Group



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CFO Wittur Group

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# Wittur Group - Profit & Loss Statement 6M 2014/2015



in € million	6M 2014 (unaudited)	6M 2015 (unaudited)	Change
<b>Revenue</b>	<b>246.6</b>	<b>289.3</b>	<b>17.3%</b>
<b>Cost of sales</b>	<b>-180.9</b>	<b>-213.4</b>	<b>-18.0%</b>
Direct materials	-122.3	-144.3	-18.0%
Other cost of sales	-58.6	-69.1	-18.0%
<b>Gross profit</b>	<b>65.7</b>	<b>75.9</b>	<b>15.5%</b>
Selling expenses	-9.2	-10.3	-12.4%
Research & development expenses	-3.2	-3.2	0.0%
Administrative expenses	-24.6	-28.0	-13.8%
Other income	0.9	0.9	1.1%
Other expenses	-1.0	-1.6	-54.6%
<b>Earnings before interest and taxes (EBIT)</b>	<b>28.5</b>	<b>33.6</b>	<b>17.8%</b>
Finance expenses	-8.6	-10.2	-19.1%
Finance income	0.2	0.1	-10.8%
<b>Earnings before income taxes (EBT)</b>	<b>20.1</b>	<b>23.5</b>	<b>17.1%</b>
Income taxes	-7.1	-12.6	-78.5%
<b>Net result for the period</b>	<b>13.0</b>	<b>10.9</b>	<b>-16.4%</b>

# Paternoster III – Profit & Loss Statement March & June 2015

in € million	3M 2015 (unaudited)	6M 2015 (unaudited)
<b>Revenue</b>	<b>0.0</b>	<b>162.6</b>
<b>Cost of sales</b>	<b>0.0</b>	<b>-118.9</b>
Direct materials	0.0	-82.7
Other cost of sales	0.0	-36.2
<b>Gross profit</b>	<b>0.0</b>	<b>43.8</b>
Selling expenses	0.0	-5.4
Research & development expenses	0.0	-1.6
Administrative expenses	-6.4	-20.7
Other income	0.0	0.4
Other expenses	0.0	-0.9
<b>Earnings before interest and taxes (EBIT)</b>	<b>-6.4</b>	<b>15.7</b>
Finance expenses	-11.3	-21.0
Finance income	0.0	0.1
<b>Earnings before income taxes (EBT)</b>	<b>-17.7</b>	<b>-5.3</b>
Income taxes	-4.2	-14.4
<b>Net result for the period</b>	<b>-21.9</b>	<b>-19.7</b>



# Investor relations calendar 2015

Date	Event
Sept 30/Oct 1	Credit Suisse Global Credit Products Conference 2015, Barcelona
November 17	Press release on key financial figures 9M 2015
November 27	Publication of 9M report 2015 with conference call