



# Investor Presentation

Deutsche Bank  
20th Annual European Leveraged Finance Conference

London, June 9, 2016

PUBLIC INFORMATION ONLY

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We also present herein results of the Sematic Group, which are estimates derived from the accounting records and internal management accounts of the Sematic Group. This information has not been audited, reviewed or compiled, and no procedures have been performed by any independent auditors with respect thereto. The Sematic Group has not yet prepared consolidated financial statements for the periods referred to and, accordingly, the results presented here may change, and those changes may be material. Recipients are cautioned not to place undue reliance on such results. All Sematic Group financial results presented herein are presented in accordance with Italian GAAP.

Pro forma information presented herein is for informational purposes only, and does not represent the results that would have been achieved had the acquisition of the Sematic Group been achieved at the beginning of the period in question. The calculation of pro forma data are based on management estimates and the unaudited internal management accounts of the Sematic Group. These numbers have not been audited and are not derived from accounts prepared in accordance with IFRS. Results indicated by these pro forma measures may not be realized, and funds depicted by these measures may not be available for management's discretionary use if such results are not realized. Expected cost savings and synergies presented herein are based on assumptions about our ability to implement these measures in a timely fashion and within certain cost parameters. The ability of the Group to achieve these cost savings and synergies is dependent upon a significant number of factors, some of which are out of our control. The Group may not be able to fully realize, or realize in the expected timeframe, the expected benefits from our cost measures.

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# Agenda




- 1 **Business overview**
- 2 Current projects
- 3 3M 2016 performance and outlook

# Wittur Group at a glance: Largest independent elevator components manufacturer



## Comprehensive product portfolio

Products	Units in 2015
Doors 	~ 1,8 Mio
Sling & Frames 	~ 49.000
Gearless drives 	~ 5.000
Safeties 	~ 80.000
Cars 	~ 5.600
Other components 	
Complete Elevators 	~ 2.600

Number of units including Sematic (pro forma); closing Date: April 1<sup>st</sup>, 2016

## Broad customer base

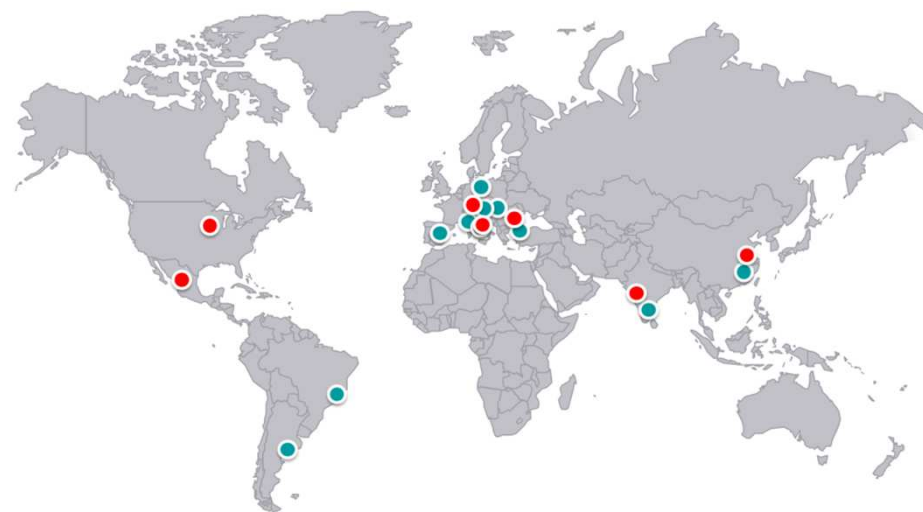
### Western/Asian MNCs



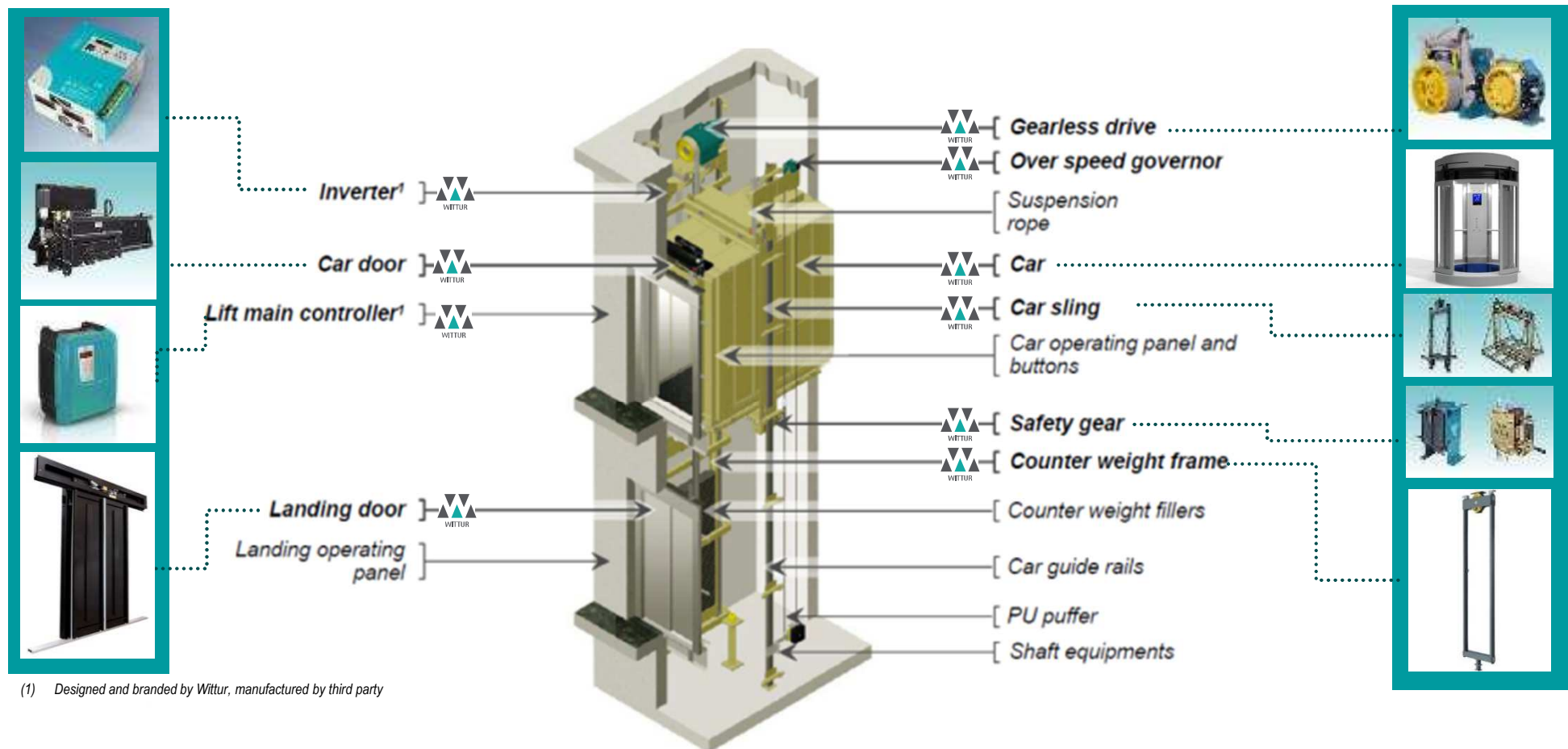
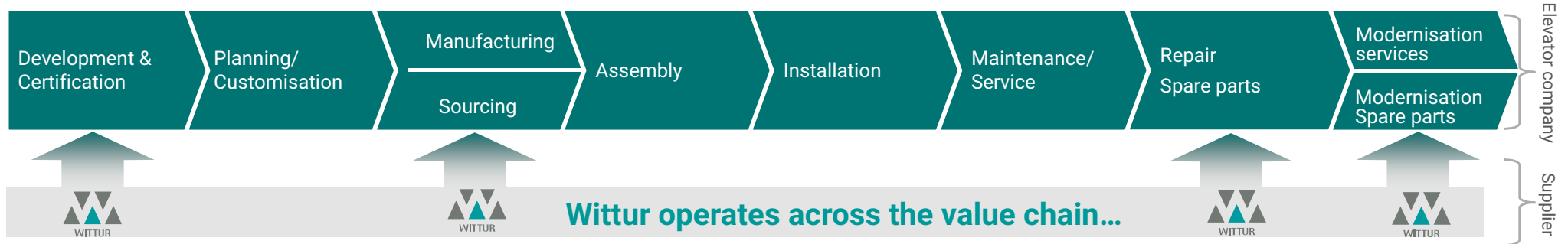
### Independents



## Well invested, global manufacturing footprint

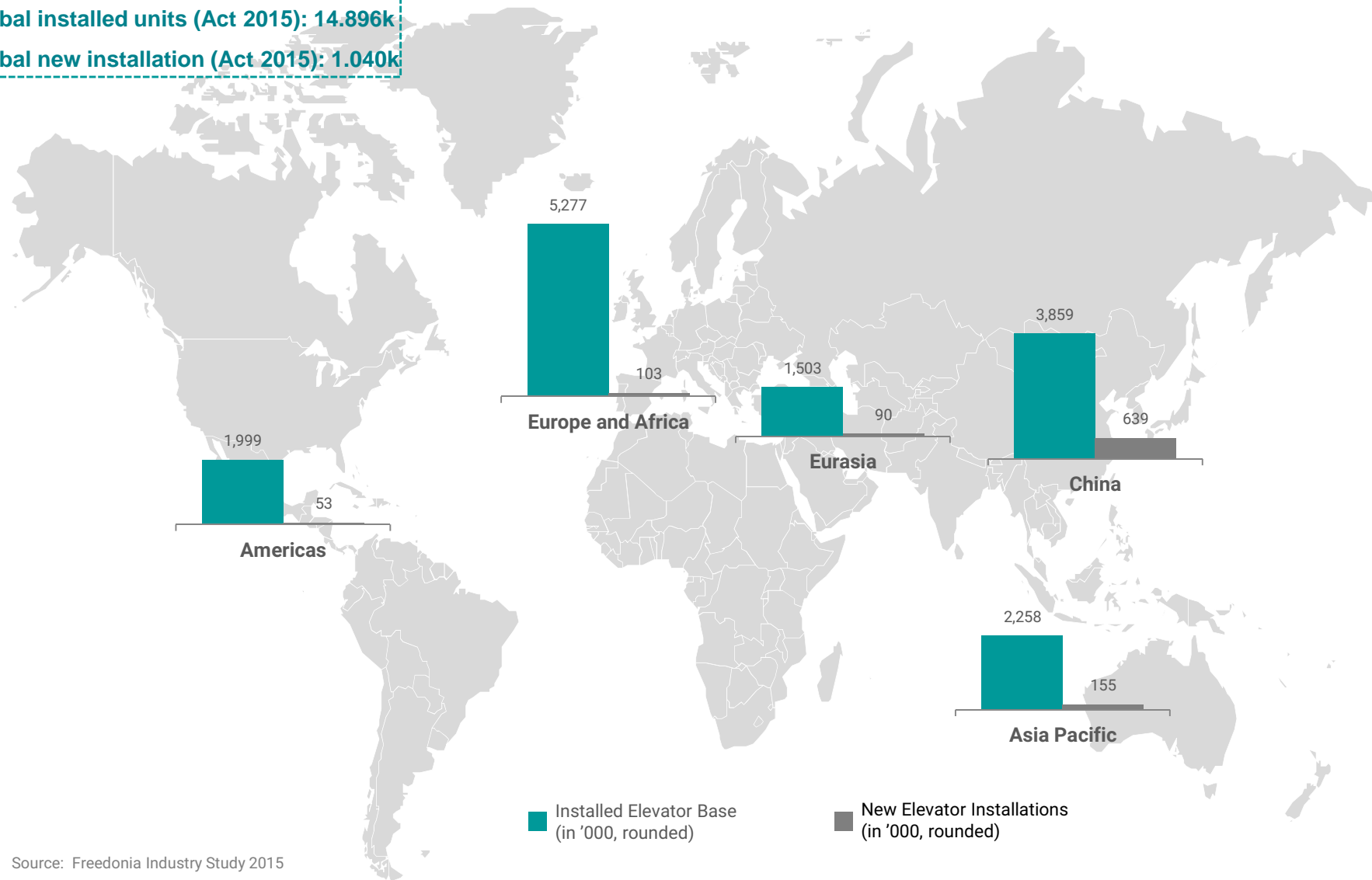


# Wittur offers the most comprehensive product portfolio in the industry



# Wittur is active in a large market

Global installed units (Act 2015): 14.896k  
Global new installation (Act 2015): 1.040k

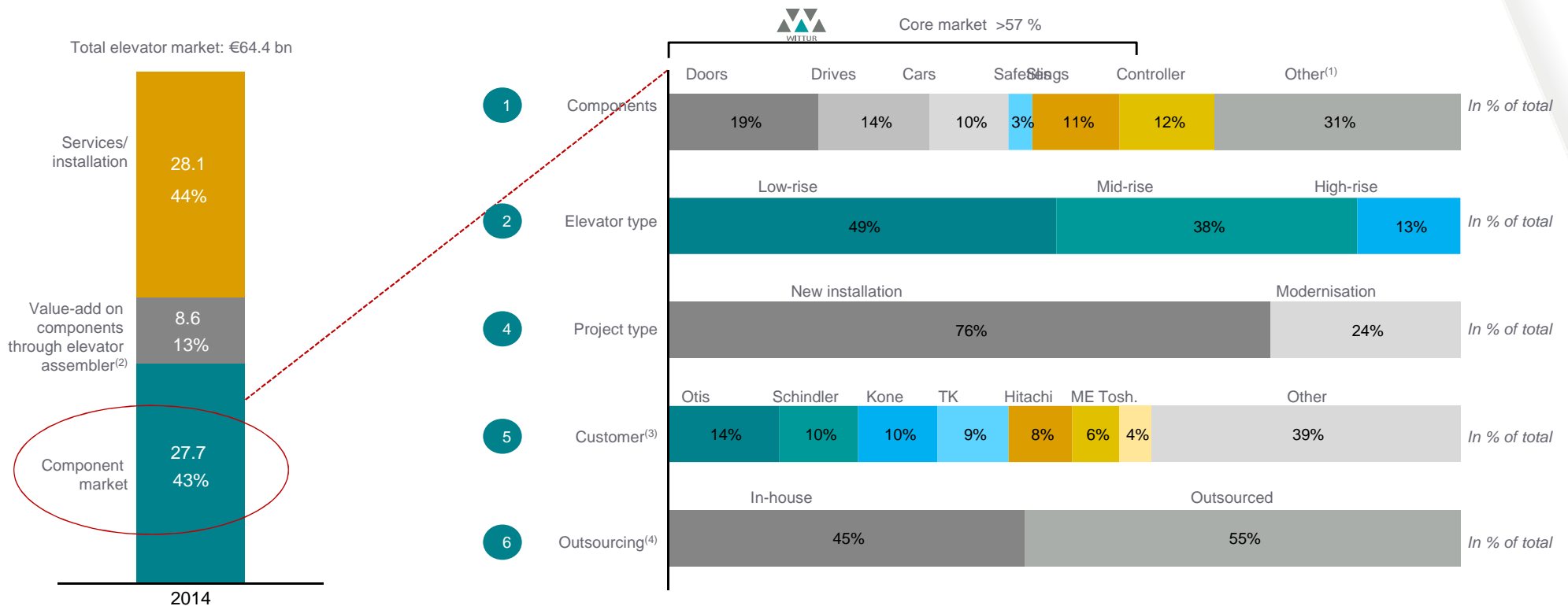


Europe is the core market for modernization, China for new installations

# Wittur's core markets represent the largest geographic and product segments of the elevator component market



## Segmentation of the elevator component market



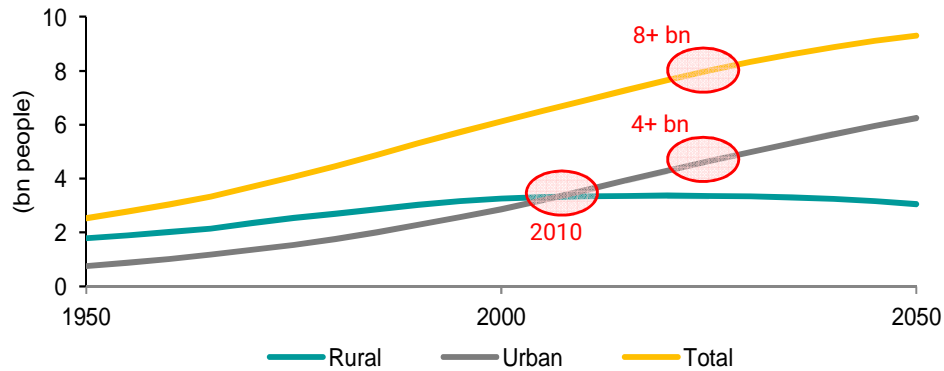
Source: Global consulting firm.  
 Note: TKE: ThyssenKrupp Elevators; ME: Mitsubishi Electric.  
 (1) Includes: shaft equipment, suspension devices and other.  
 (2) E.g., labor cost for development, certification, planning, customisation, assembly, and SG&A.  
 (3) 2012 elevator market share.  
 (4) Based on data for Big 4 MNCs for doors and drives – Independent customers to be added.



# The elevator market benefits from a number of sustainable long-term fundamentals ...

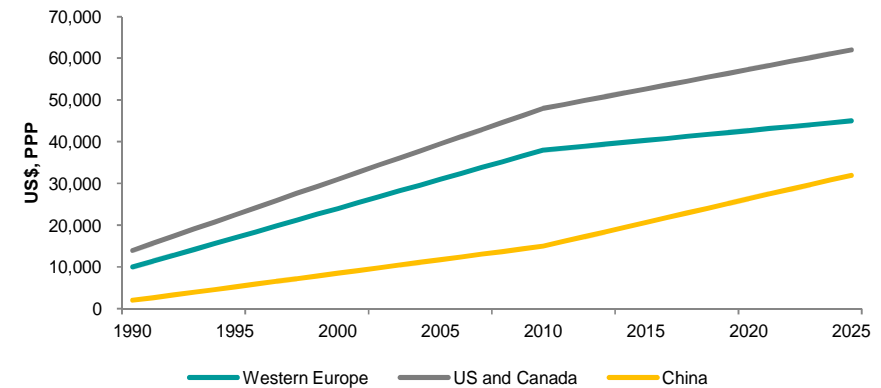
## Population Growth & Urbanisation

60% of the new urban consumers will be in top 440 emerging cities in 2025



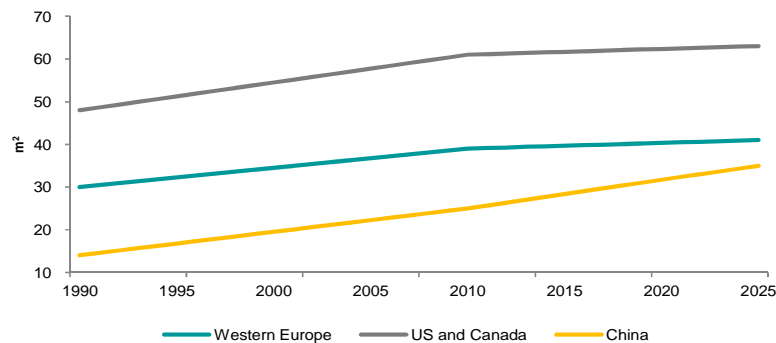
## Growing GDP per capita

Top emerging 440 cities will contribute to 47% of global GDP growth or \$23tn in 2025



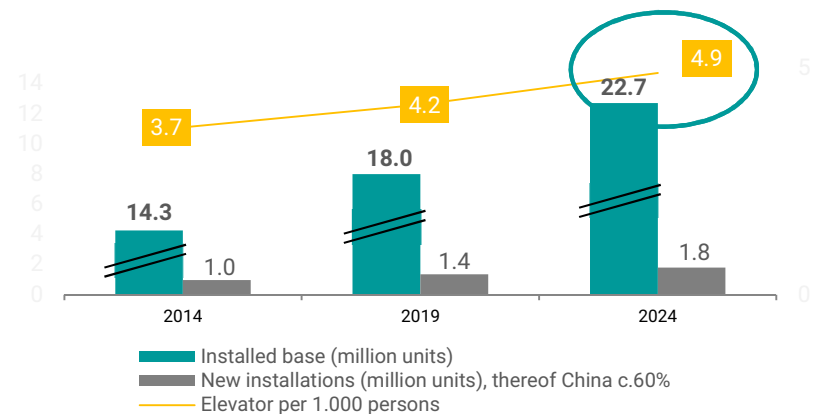
## Increasing Urban Residential Floor Space per Capita

Cities are expected to need to build floor space equivalent to 85% of today's building stock – an area the size of Austria



## Installed elevator base, new installations and density

Increasing elevator density and installed base close to 23m units in 2024

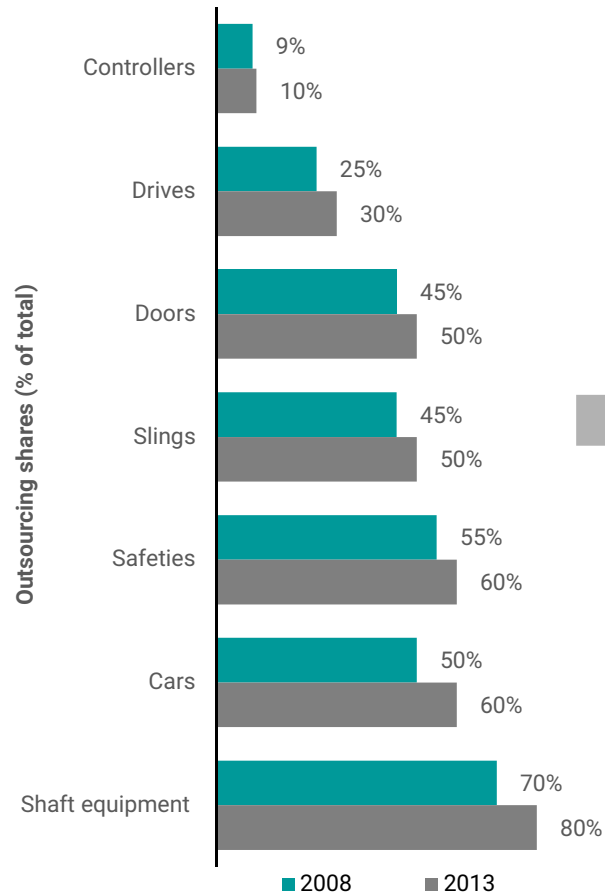


Source: World Bank, McKinsey, Freedonia



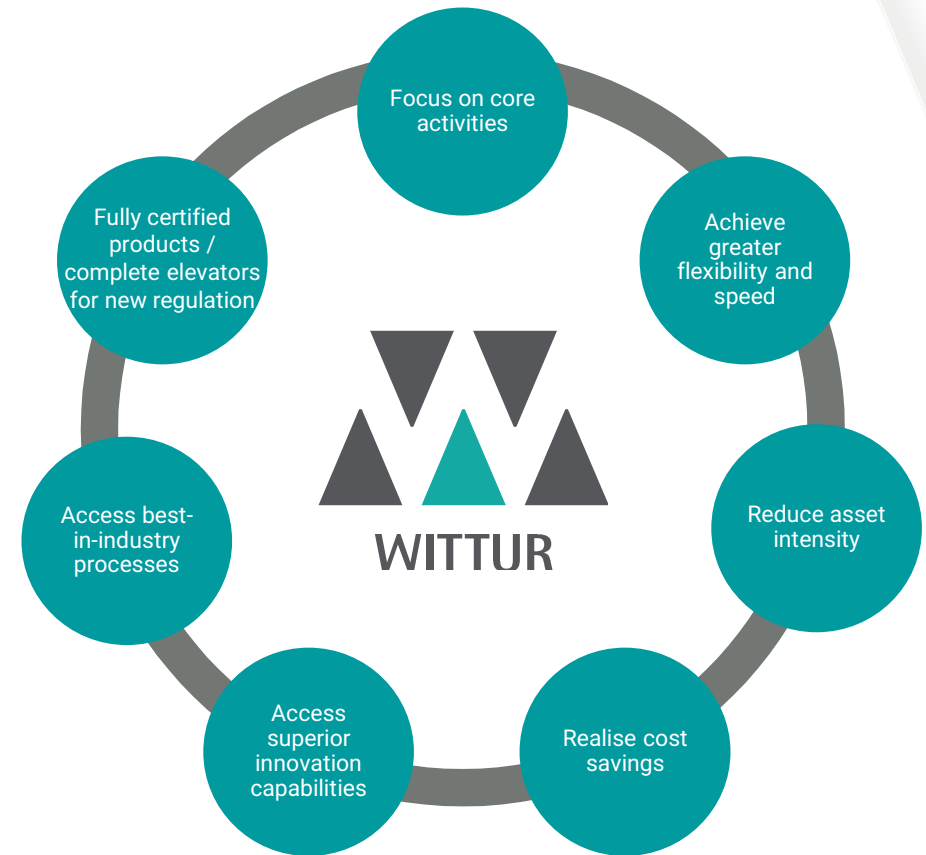
# ...and a growing outsourcing trend from MNC's

## Historical development of outsourcing



Outsourcing shares increased across all elevator component segments from 2008 - 2013

## Why do elevator installers outsource?



Source: Global consulting firm.

Continued outsourcing trend in the elevator industry enables growth above end market for component suppliers while allowing elevator manufacturers to focus on their core installation and services activities

# Agenda

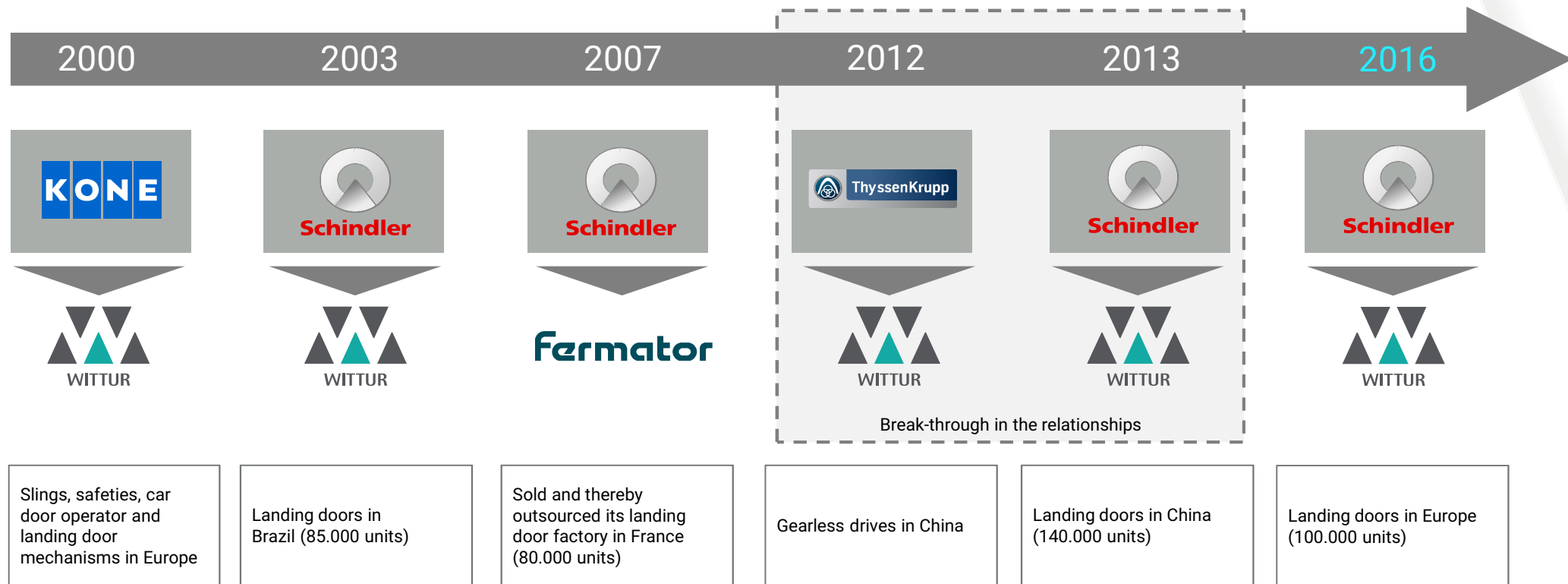


- 1 Business overview
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# Wittur's position as global outsourcing partner of choice



## Major outsourcing decisions for relevant products since 2000



Wittur is the winner of the outsourcing trend

# Multi-year order contract with key customer Schindler

- Exclusive contract extending over several years with major MNC customer Schindler
- Order contract for the supply of AUGUSTA EVO commodity doors for Schindler's European business from mid 2016 onwards
- Order is the result of a long lasting joint engineering development program
- Production for the contract is expected to be ramped up in several of Wittur's European plants during the first six months of 2016
- Additional machinery growth capex of c. €2,500k and €1,300k invested in 2015 and 2016 respectively

Augusta EVO



**Schindler**

- ✓ Multipurpose
- ✓ Sturdy & reliable
- ✓ Easy maintenance
- ✓ Uncomplicated & fast installation
- ✓ High comfort & performance
- ✓ Optimized production processes

# Sematic acquisition with strong strategic rationale



## 1. Broader product range

- Cross-selling opportunities from complementary product offering
  - Sematic provides complete elevator solutions and also produces electronics for elevators
  - Sematic's highly customized offering provides greater exposure to recurring aftermarket / modernisation demand

## 2. Improved geographic mix and customer diversification

- Enhanced regional diversification
  - Strong geographic focus in Europe (c.70%) with high share of sales in recurring aftermarket / modernization
  - Provides foothold in North America, a market in which Wittur is currently not present
  - Decreasing reliance on fast growing Chinese market
  - 30%+ of Sematic's sales in Asia are generated outside China including countries such as Indonesia, Malaysia, Korea or India
- Despite having one leading MNC customer as well, Sematic's largest customer is different from Wittur's, reducing overall customer concentration by enlarging MNC customer base

## 3. Enhanced scale and brand reputation

- Combined entity has broader sales reach and global production capabilities making it the supplier of choice to the largest elevator MNCs and independents
- Creates one of the leading suppliers in the outsourced elevator parts market in Europe
- Significantly enhances Wittur's profile in customized doors

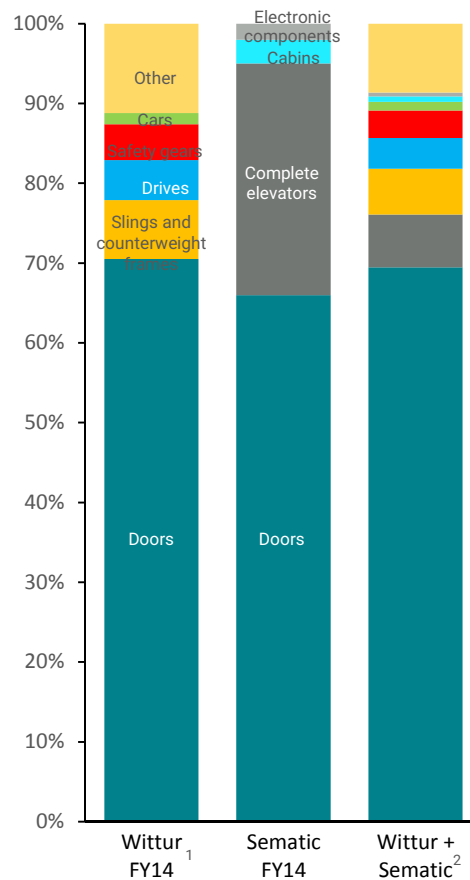
## 4. Significant identified synergies

- Cross-selling opportunities through complementary presence in North America, stronger focus on complete elevator sales and upside potential for Sematic with independents in EMEA leveraging Wittur's sales force
- Well identified cost synergies resulting primarily from procurement gains driven by combined purchasing volumes and efficiency gains, leveraging of operational efficiencies in production, optimized corporate organization and sales network

# Geographic, customer and product diversification: Logical combination with complementary portfolios

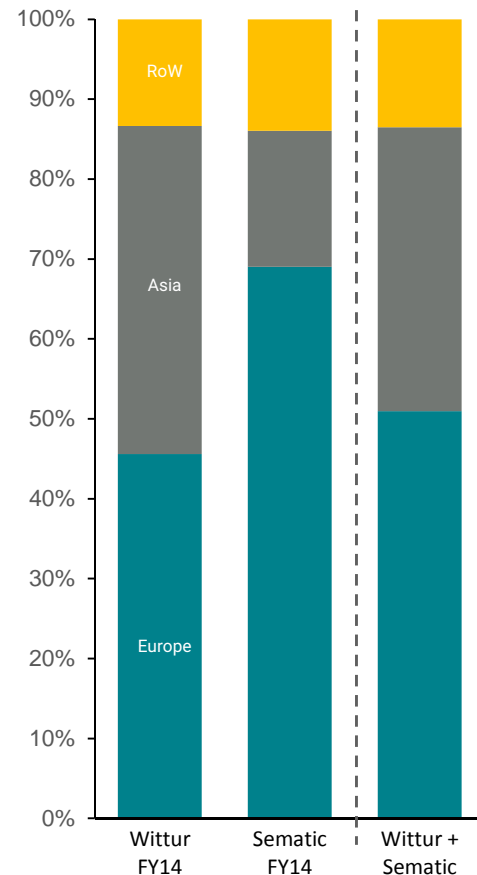


## Product exposure



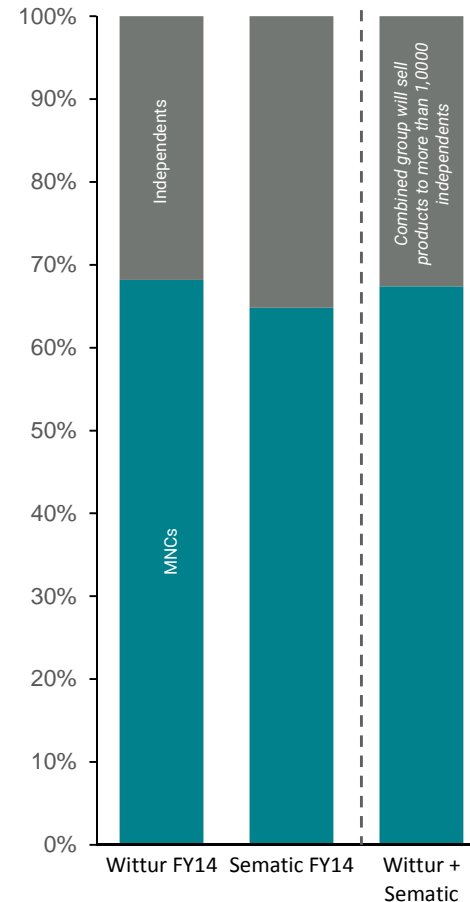
**Complementary product portfolios  
with significant cross-selling opportunities**

## Regional exposure



**Increased regional diversification  
away from Asia**

## Customer exposure



**Significantly increased  
customer diversification**

- **Complementary product portfolios creating cross selling opportunities**
  - Opportunities created through using combined sales channels/customer relations with extended product portfolio (i.e. controller technology for Wittur; gears, drives, slings for Sematic)
- **Higher share of recurring aftermarket and modernization business**
  - Sematic's strong presence in Europe and customized approach leads to higher share of modernization projects
  - Wittur and Sematic do not engage in direct installation or maintenance
- **Geographic diversification and entry into new markets**
  - Helps expand presence in the European modernisation business
  - Provides access to US market
  - Diversifies Asian sales away from China
- **Complementary and diversified coverage of key MNC customers**
  - Reduced overall customer concentration via enlarging MNC customer base and higher share of independents
  - Leverage complementary strengths of Wittur and Sematic to enhance customer relationships

**Combination of Wittur and Sematic results in an enhanced and diversified revenue base**

Source: Company Information.

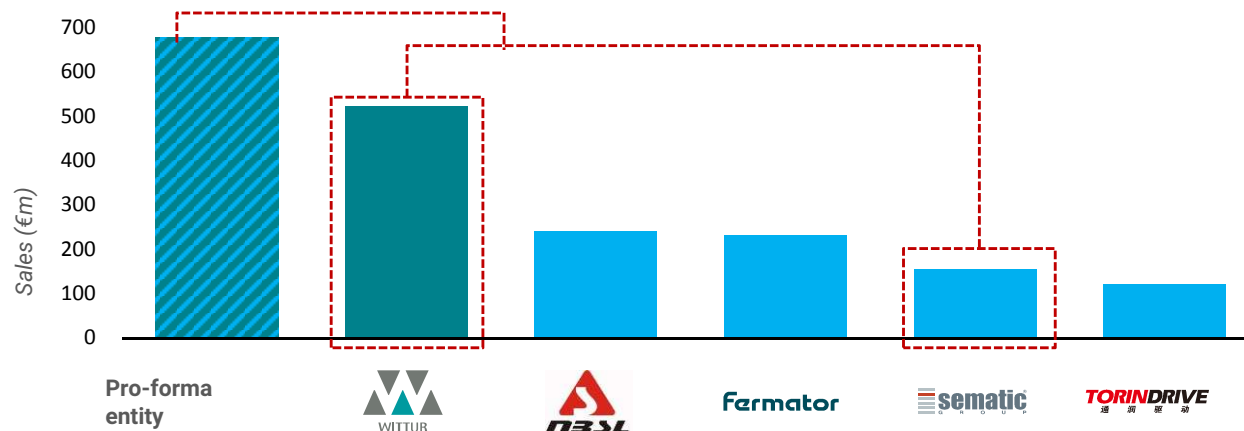
(1) Thereof complete elevators account for ~5%.

(2) Thereof complete elevators account for ~10%.

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# Enhanced scale: combined entity enjoys significant size...

One of the leading independent elevator component supplier with significant breadth and scale across products and regions <sup>(1)</sup>



Geographical footprint							
Product portfolio	Doors	✓	✓	✓	✓	✓	
	Cars	✓	✓	✓		✓	
	Drives	✓	✓	✓			✓
	Safeties	✓	✓	✓			
	Complete Elevators	✓	✓			✓	
	Segment focus	All segments	Mid end with some low	Low end	Low end, some mid	High end	Low end

■ Presence comparable to Wittur
 ■ Weaker presence compared to Wittur

Scale and global footprint translate into a number of sustainable competitive advantages

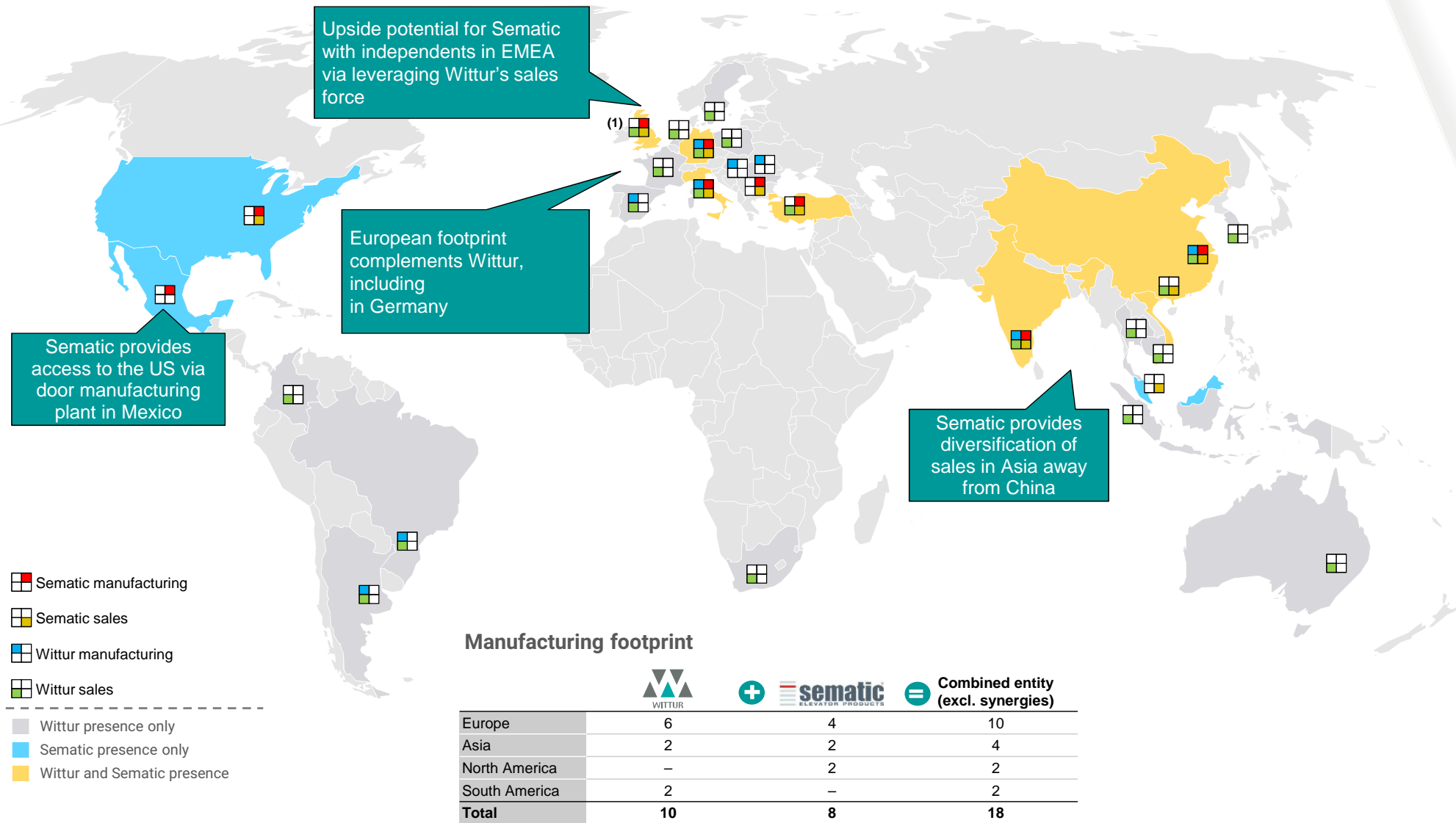
Source: Global consulting firm.

(1) Based on 2014 sales for Wittur and Sematic and 2013 sales figures for the rest.

(2) Refers to number of FTEs.



# ...and has extensive industrial and commercial footprint...



Combined footprint results in expansion of local manufacturing capabilities and a more global sales presence

Source: Global consulting firm.

(1) Closure of Sematic production plant in the UK in progress.

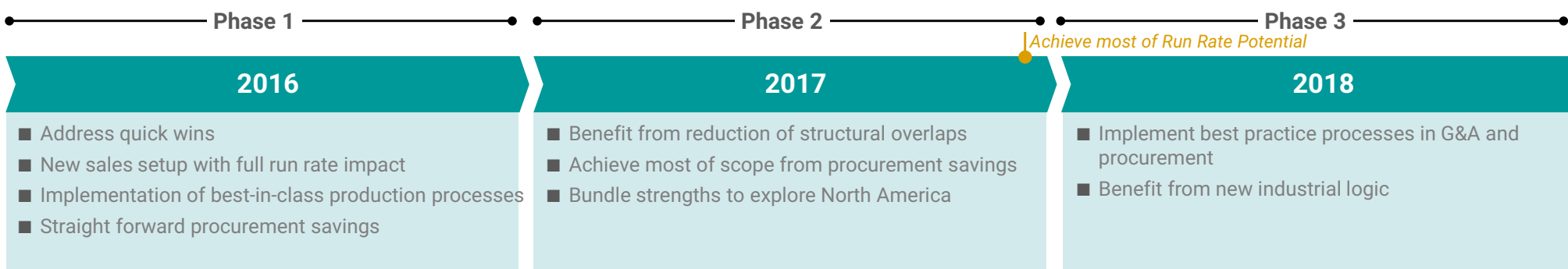
# Realization of synergies on track

Run-rate synergies <sup>(1)</sup>	
(€m)	Run-rate FY'16
1 Procurement	
2 SG&A, and other	
3 Manufacturing	
<b>Total</b>	<b>9.3</b>

*Quantum of cost synergies has been confirmed by third party consultants, with further upside identified through potential revenue synergies*

- 1 **Procurement**
  - Performance improvement at Sematic
    - Leverage Wittur's global procurement organization
    - Alignment of purchasing conditions
    - Increase share of sourcing from low cost countries
  - Volume bundling generating scale efficiencies
  - Insourcing of components currently sourced externally by Sematic in complete elevators
- 2 **SG&A, and other**
  - Optimized corporate organization and sales network
  - Streamlining of duplicative organizational fixed cost
- 3 **Manufacturing**
  - Operational efficiencies due to better absorption of fixed costs
  - Longer term consolidation opportunities

## Synergies phasing



Source: PwC VDD; Global consulting firm.

Anticipated cost savings and synergies are based on assumptions about our ability to implement these measures in a timely fashion and within certain cost parameters. The ability of the Group to achieve these cost savings and synergies is dependent upon a significant number of factors, some of which are out of our control. The Group may not be able to fully realize, or realize in the expected timeframe, the expected benefits from our cost measures.

# Plant improvement examples: Osio

Safety corner



Functional Excellence Management Boards

Concern room



Traffic lights



Model cell area: Cladding (in progress)



# Agenda



- 1 Business overview
- 2 Current projects
- 3 **3M 2016 performance and outlook**

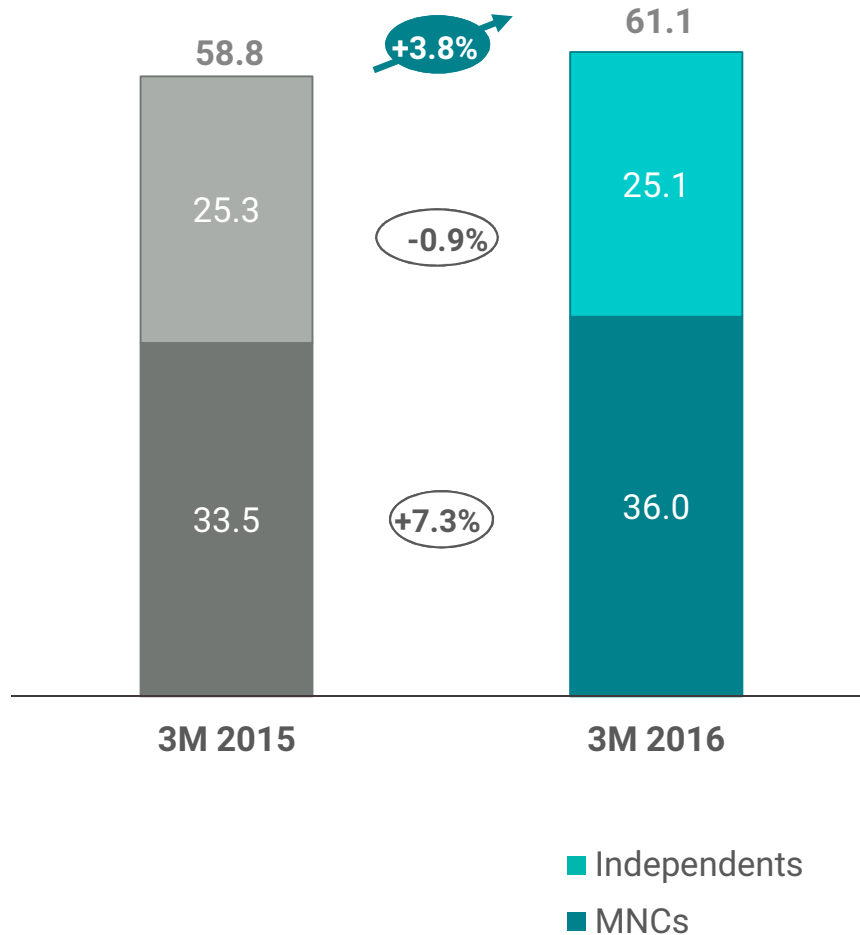
# Wittur Group with steady topline performance in 3M 2016



- **Order intake** in 3M 2016 **slightly up (+0.7%)** vs. 3M 2015
- **Orders on hand** at the end of 3M 2016 **1.7% higher** than at the end of 3M 2015
- **Revenue for first three months 2016 stable at €126.2m** supported by Europe and Asia Pacific. Without foreign currency effect 3M 2016 revenue growth would be 3.6%.
- **EBITDA Adjusted at €14.8m, down 4.9%**, driven by FX and upfront investments for growth. **EBITDA Adjusted margin** of 11.8%.
- **Net Financial Debt** at €423.8m, **leverage ratio** of 4.99x down from 5.24x in 3M 2015
- 336 thousand **doors sold**, down 2.4% over prior year period
- **Sematic acquisition synergies** at c.€9m on a run-rate basis with an expected €2-3m realization in 2016

# Wittur Europe with ongoing growth

## Revenue development (in €m)



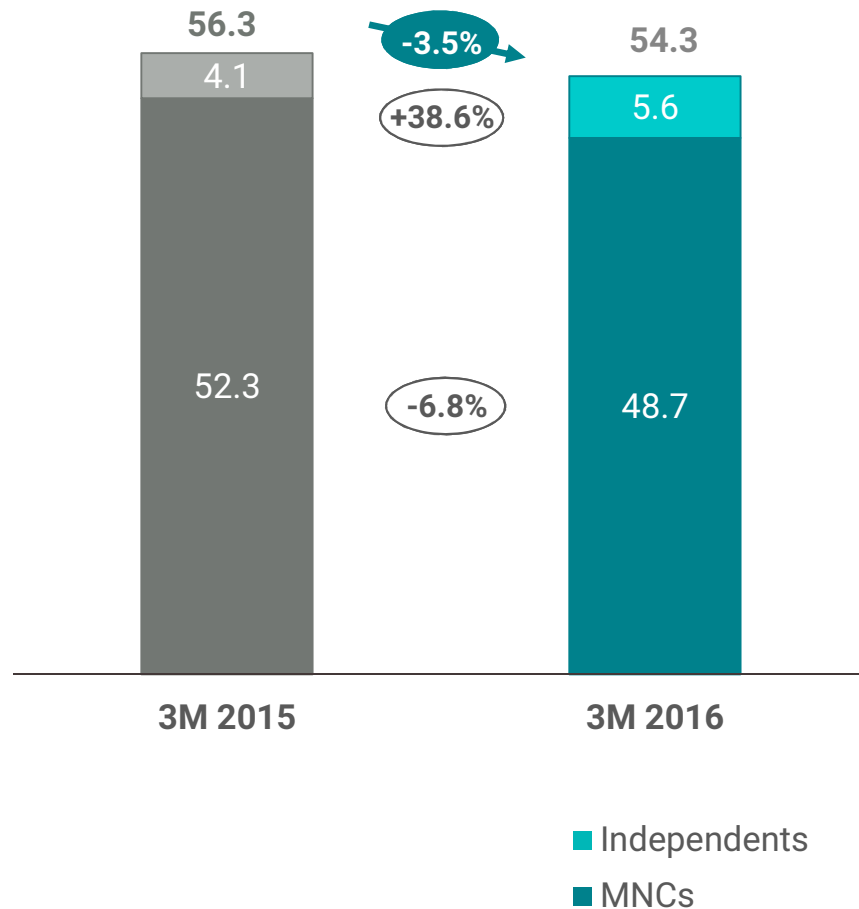
- 3.8% revenue growth in Europe to €61.1m on the back of increased sales to Multinational customers
- Sales to MNCs were up by 7.3% and contributed 58.9% to European revenue
- Good performance in Germany, Austria, Spain and France
- Europe was 48.4% of total group revenue and was largest revenue source
- Successful ramp-up for the supply of AUGUSTA EVO commodity doors to Schindler



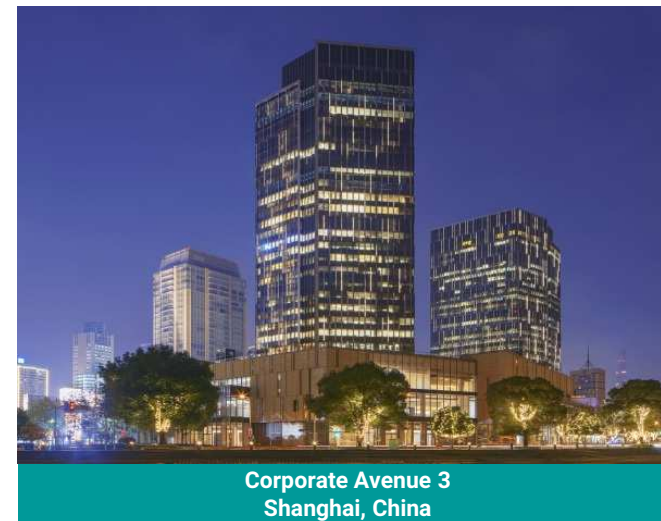


# Wittur Asia stable at comparable FX

## Revenue development (in €m)



- Asia sales declined by -3.5% to €54.3m and were stable at comparable exchange rates
- Weaker performance in China but positive development in Asia Pacific
- Asia contributed 43.1% to total group revenue
- Increased focus on Independents: share of revenue improved to 10.3% from 7.2% in 3M 2015, with a value increase of 38.6%

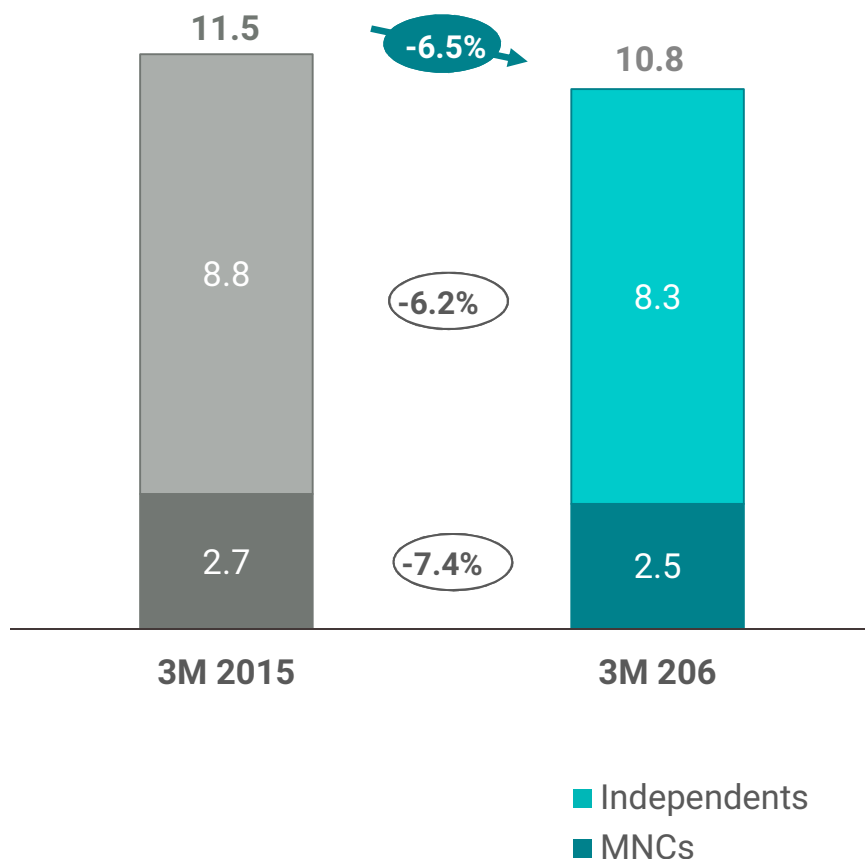




# Wittur Rest of World reported revenue down ... strong FX adjusted growth



## Revenue development (in €m)



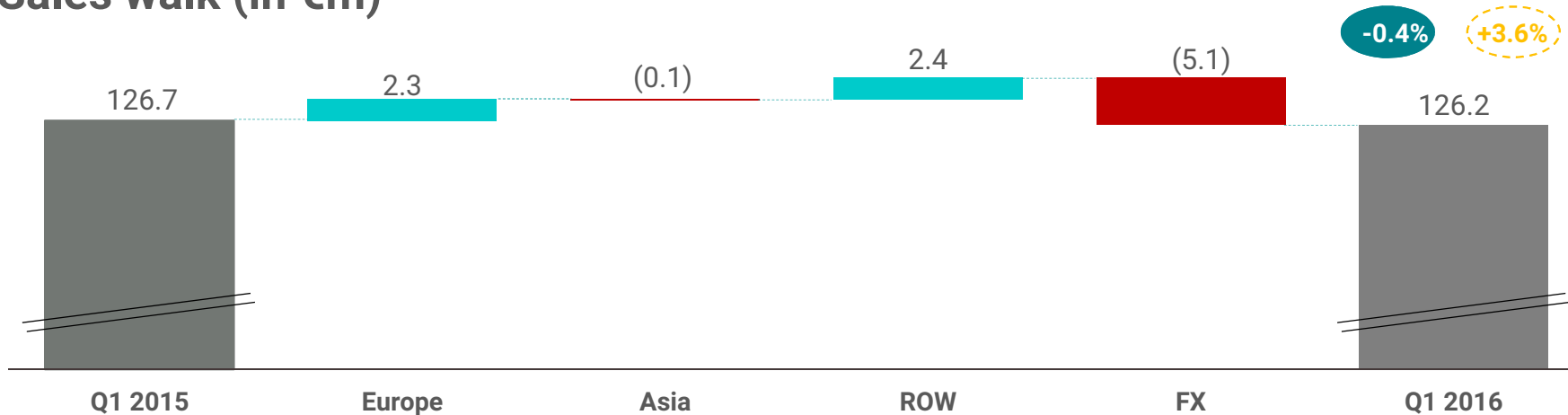
- Revenue in ROW declined by -6.5% or €0.7m to €10.8m ... FX adjusted up double digit V%:

- Strong sales growth in Turkey and Middle East
- Russia sales continued to be very low
- Iran business is catching up slowly after lifting of US sanctions at the beginning of the year
- Strong performance in Argentina but continued weakness in Brazil

- 77.1% of Revenue in the region is from Independents

# Steady topline performance in first three months 2016

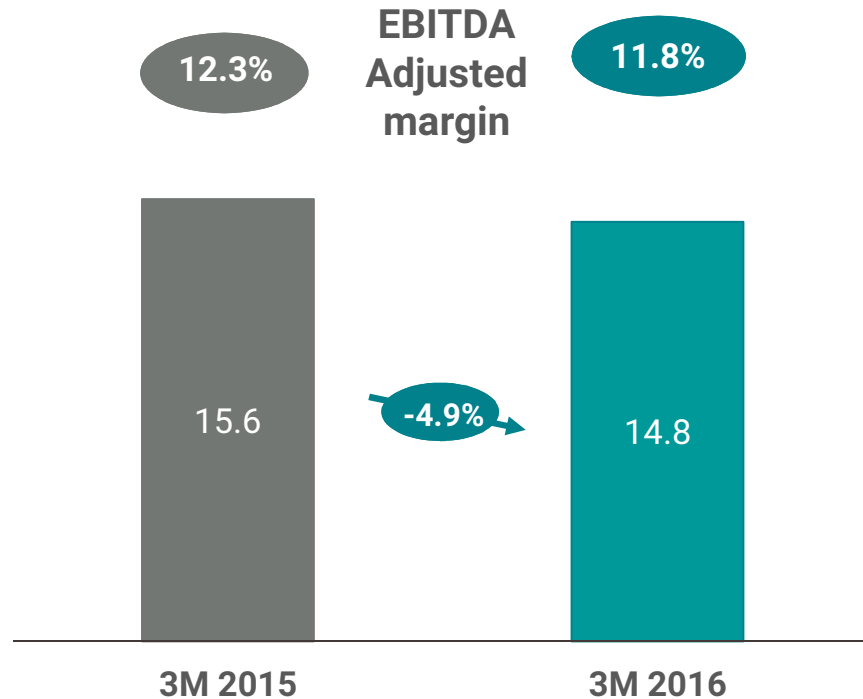
## Sales walk (in €m)



- Reported revenue flat at €126.2m with growth in Europe (+3.8%), Asia down (-3.5%) and ROW (-6.5%)
- Revenue growth excluding negative FX impact of €5.1M, up 3.6% yoy
- Asia FX adjusted revenue flat ... strong growth in APAC and China down low single digit V%
- ROW FX adjusted revenue up double digit V% ... strong Turkey / Middle east and Americas ... Russia continued weak
- Iran sanctions lifted in Q1 2016 ... ramping up from Q2 onwards

# Reduced EBITDA Adjusted

## EBITDA Adjusted development (in €m)



- Reported EBITDA adjusted was down 4.9% to €14.8m
- Gross profit 2.0% lower than 3M 2015
- Negative foreign exchange impact
- Investment in capacity for growth, especially for Schindler ramp-up
- Continued investment in go to market resources, R&D and IT to support future growth

# Wittur Group – Net Financial Debt and Leverage Ratio



in € million	Pro forma As at date of transaction 31.03.2015	Pro forma As of 30.06.2015	Pro forma As of 30.09.2015	Pro forma As of 31.12.2015	As of 31.03.2016
Bond Senior Notes	225.0	225.0	225.0	225.0	225.0
Senior Secured Term Loan B	195.0	195.0	195.0	195.0	195.0
Revolving Credit Facility	25.0	0.0	0.0	5.5	20.5
Ancillary Credit Facility	0.0	1.5	0.8	6.0	1.8
Finance Leases	3.7	3.6	3.6	3.5	3.5
Other Bank debt	5.7	12.3	11.4	15.3	19.3
Less cash & cash equivalents	-52.9	-34.3	-27.7	-24.4	-41.4
<b>Total Net financial Debt</b>	<b>401.5</b>	<b>403.1</b>	<b>408.0</b>	<b>426.0</b>	<b>423.8</b>
<b>LTM EBITDA Adjusted</b>	<b>76.6</b>	<b>81.6</b>	<b>84.8</b>	<b>85.7</b>	<b>85.0</b>
<b>Ratio of Net financial Debt to LTM EBITDA Adjusted</b>	<b>5.24x</b>	<b>4.94x</b>	<b>4.81x</b>	<b>4.97x</b>	<b>4.99x</b>

# Reiterating the outlook for 2016

- Corresponding to market developments and after years of accelerated growth, the combined pro forma Wittur Group<sup>1)</sup> Revenue for full year 2016 is expected to be flat to slightly better than 2015 with a more or less stable EBITDA Adjusted development.
- Ramp-up for Schindler deal door production progressing well at plants in Spain, Italy and Slovakia. Revenue contribution from Q3 2016 onwards.
- Global launch of Augusta EVO door in 2016 realizing better cost position.
- Combined Wittur Group 2016 capex spending expected to be comparable to previous years in the €17-18m range.

<sup>1)</sup> Wittur Group including Sematic

# Investor Relations calendar 2016



Date	Event
July 6	Barclays investor trip to Parma plant, Italy
August 18	Press release on key financial figures 6M 2016
August 29	Publication of 6M report 2016
August 30	Conference call on 6M 2016
November 17	Press release on key financial figures 9M 2016
November 29	Publication of 9M report 2016 with conference call

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