



WITTUR

Wittur

Lenders Presentation

January 2019



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# Today's speakers

**Antoine Doutriaux**



■ CEO, Wittur

**Christoph Kaml**



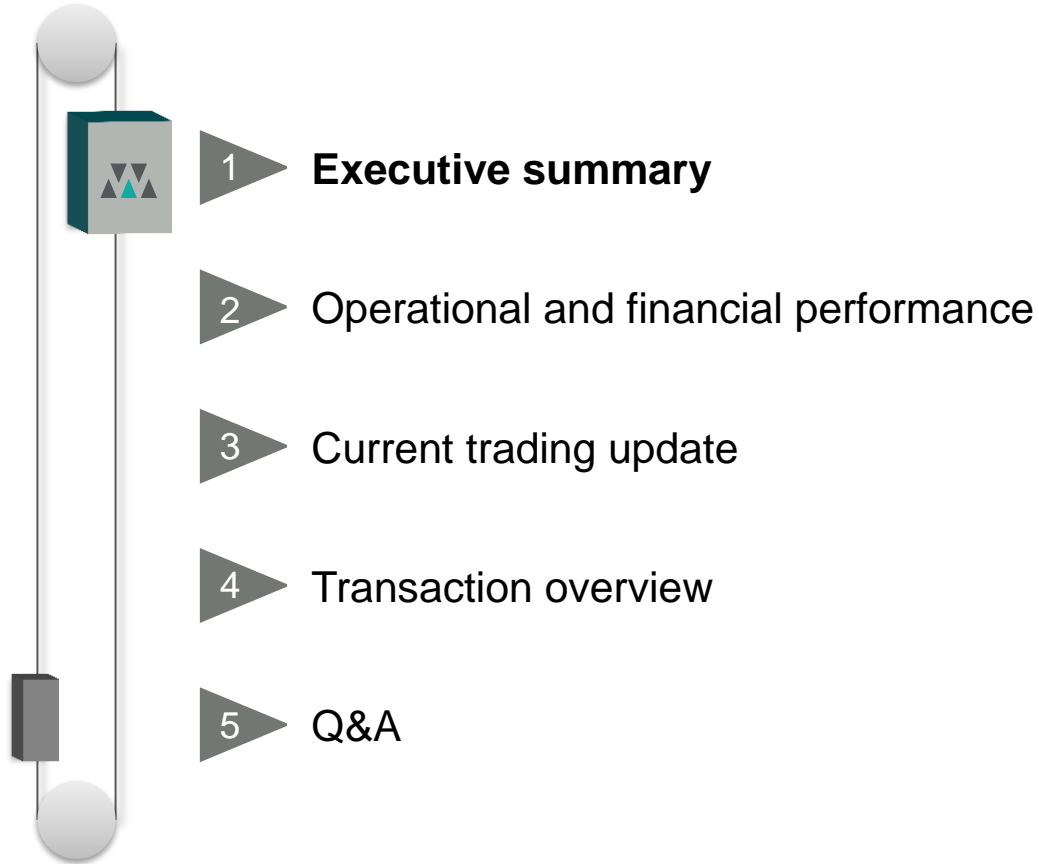
■ CFO, Wittur

**Roman Istanbuli**



■ Investor Relations,  
Wittur

# Agenda



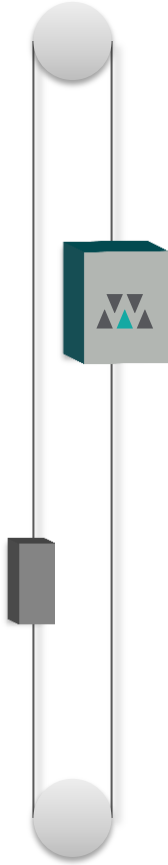
# Executive summary

- Wittur Group (“Wittur”, the “Group”, or the “Company”) is a leading global player in the outsourced elevator component market, producing doors and adjacent products for elevator manufacturers
- The Company is continuing to perform strongly driven by a strong offering and underlying market fundamentals
  - LTM Sep 2018 revenue and EBITDA Adjusted were €790.3m and €119.1m (11.2% and 11.1%<sup>(1)</sup> CAGR since 2015)
  - October and November current trading numbers up 6.8% and 9.1% y-o-y for revenue and EBITDA Adjusted, respectively
- On 28 December 2018, Public Sector Pension Investment (“PSP”) signed a share purchase agreement to acquire 32% stake in the Company
  - The acquisition implies a multiple in excess of 10x<sup>(2)</sup>
  - Bain Capital will retain a majority stake, demonstrating their ongoing commitment to Wittur
- In the context of the strong performance and the PSP investment, Wittur is seeking to issue an incremental €55m TLB, in order to repay existing third-party Vendor Loan Notes (“VLNs”) issued by entities outside the banking group (together with related interest, fees, costs and expenses) and pay transaction related expenses
  - Debt will be raised as an incremental facility by way of fungible increase to the existing TLB
  - Pro forma for the transaction net senior secured leverage is 4.0x<sup>(2)</sup> and net total leverage is 5.9x<sup>(2)</sup>
- The Company is also seeking a consent from existing lenders to raise the incremental TLB and to distribute proceeds, in an amount not exceeding the principal amount of the incremental TLB, out of the restricted group under the SFA to repay the VLNs (together with related interest, fees, costs and expenses), and is offering a consent fee

(1) Based on LTM Sep-18 EBITDA Adjusted of €114.6m, which excludes the impact of IFRS 16, for comparability purposes.

(2) Based on LTM Sep-18 EBITDA Adjusted of €119.1m (post IFRS 16 adjustment).

# Agenda



- 1 Executive summary
- 2 **Operational and financial performance**
- 3 Current trading update
- 4 Transaction overview
- 5 Q&A

# Operational and market update

1

Favourable megatrends expected to continue supporting growth

- **Megatrends** (urbanization, aging population, outsourcing etc.) remain intact
- **Asian trends remain supportive** – India and the rest of the APAC are expected to experience growth
- **Large and ageing installed base** expected to drive maintenance business growth
- **MNC's outsourcing trend continues** – key MNCs continue to increase outsourcing and Wittur is continuing to capture outsourced business

2

Cost optimisation initiatives delivering on track

- **Tangible EBITDA upside** from implementation of operational improvement plan (administrative expenses down 25.2%<sup>(1)</sup> in 9M 2018 vs. 9M 2017)
- Cost savings driven by a clear set of initiatives to improve direct plus overhead costs and by our functional excellence program initiated in 2017

3

CORE door roll-out and ramp up of new MNC contracts

- Roll-out of newly developed global product range **CORE Door** has been successfully implemented throughout 2018 across Wittur's key geographies, including China and Eurasia
- **Ramp-up of major MNC contracts** supporting growth
  - Very strong growth in Brazil
  - Third MNC contract ramp-up in China with CORE door started in 2018

4

ERP issues resolved with reduced normalisations

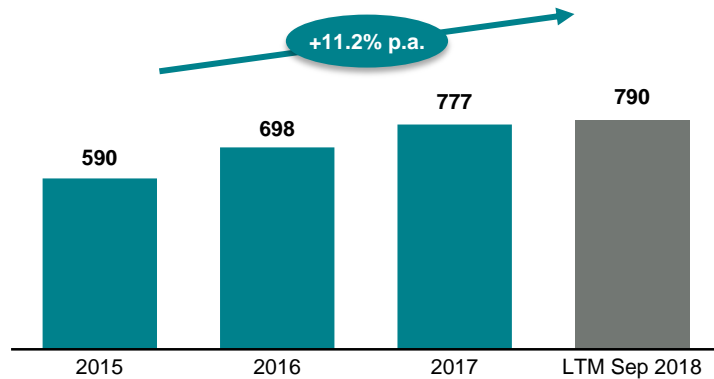
- Austria and Slovakia experiencing significant recovery compared to 2017, with ERP installation issues now fully resolved
  - Costs were primarily related to additional workforce necessary to mitigate customer impacts
  - Such extraordinary costs have now been almost fully eliminated

Supporting underlying trends and operational performance...

(1) Includes the impact of lower extraordinary and one-off costs.

# Key financial development

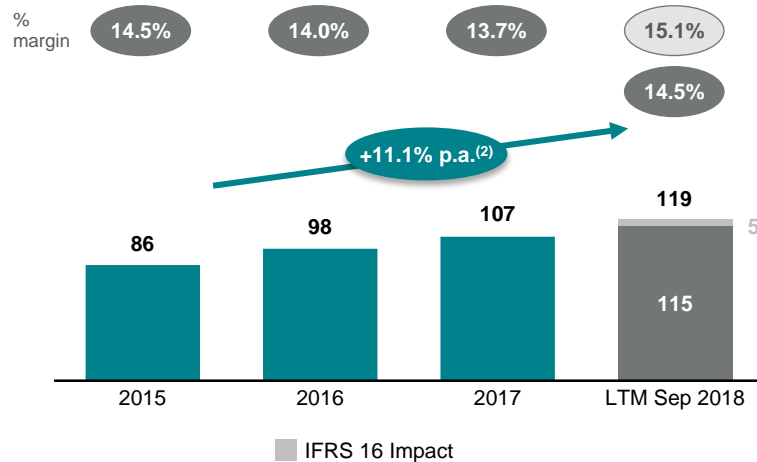
## Revenue (€m)



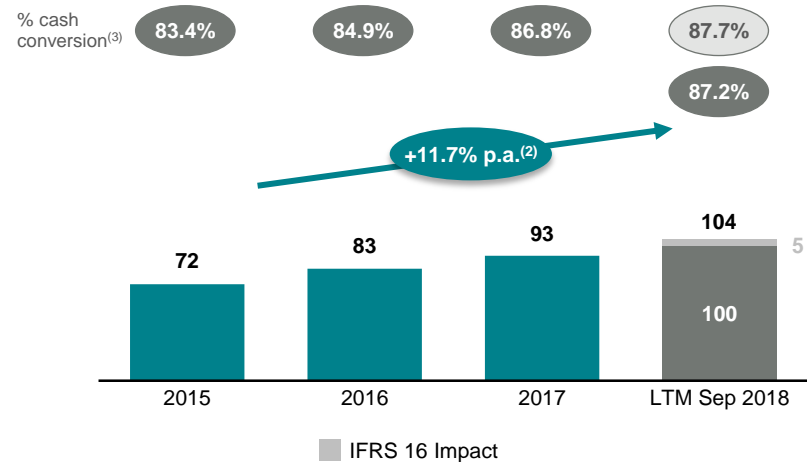
## Key highlights

- Revenue increased due to growth in new installations in APAC, replacement business in Europe, growth in other regions and due to the Sematic acquisition
- EBITDA Adjusted grew in line with revenue
  - Favourable evolution reflecting top line trend, increased scale and operational improvement initiatives
- Strong cash flow conversion with high and stable cash generation in the range of 87%

## EBITDA Adjusted (€m)<sup>(1)</sup>



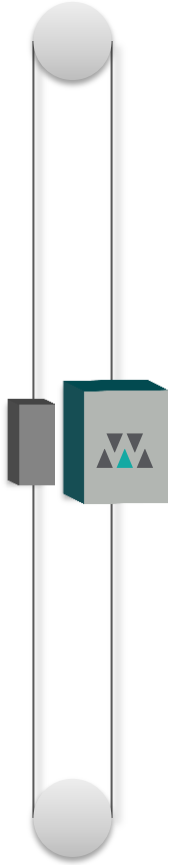
## EBITDA Adjusted - Capex (€m)



...leading to strong financial results

Note: Financials from 2016 onwards include impact of Sematic acquisition as of acquisition date (April 1, 2016).  
 (1) 2015 to 2017 EBITDA Adjusted figures before IFRS 16 adjustment (i.e. operating lease expense treated as rent expense).  
 (2) Based on LTM Sep-18 Adj. EBITDA before IFRS 16 adjustment.  
 (3) Defined as (EBITDA Adjusted – Capex) / EBITDA Adjusted.

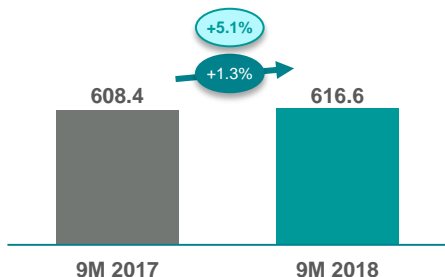
# Agenda



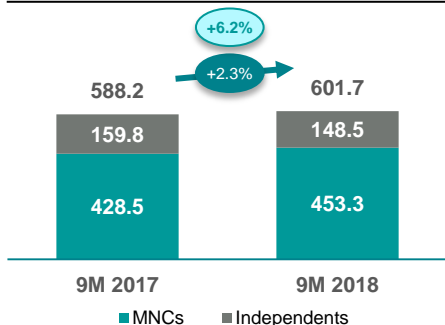
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# Financial performance overview in 9M 2018

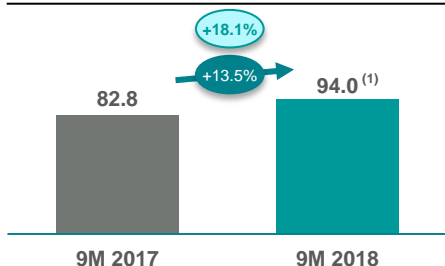
## Order intake (in €m)



## Revenue (in €m)



## EBITDA Adjusted (in €m)



## Wittur Group in first 9M 2018

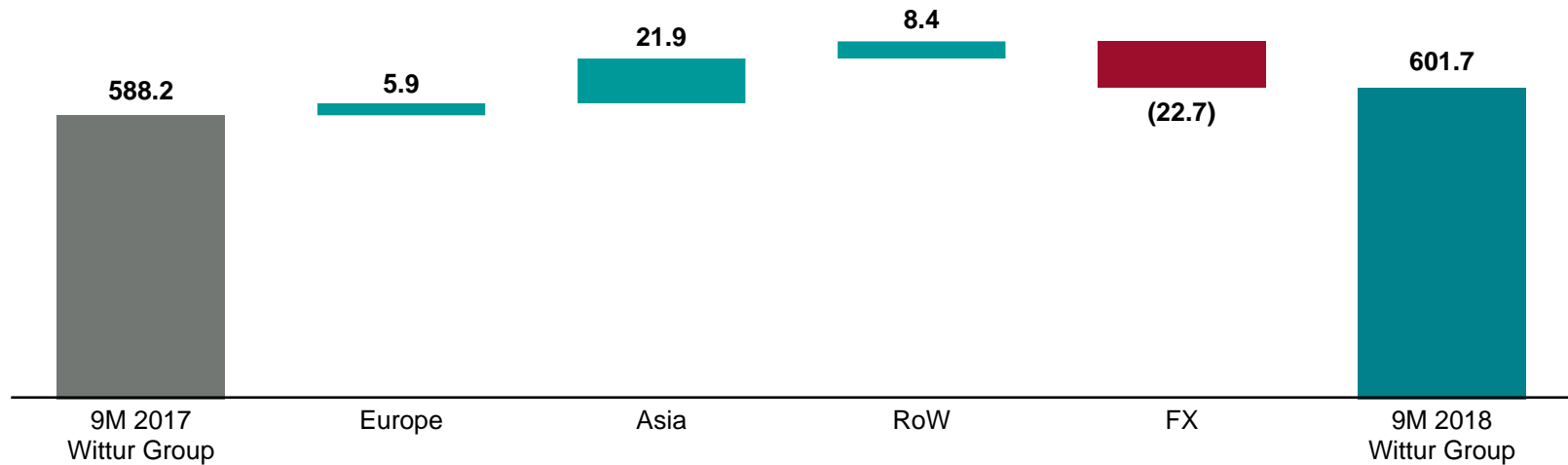
- Increase of 1.3% in order intake and an increase of 5.1% excluding negative effects of movements in foreign exchange
- Revenue grew 2.3% with growth driven by Asia
  - Underlying revenue **growth at constant currency was +6.2%**
  - **Geographic mix more balanced** with Europe contributing 53.5% to Group revenue, Asia 38.6% and ROW 7.9%, with strongest growth in Asia, especially China
- **EBITDA Adjusted (15.6% margin) up 13.5%** over prior year period, mainly supported by the underlying **revenue growth and by overhead cost improvements as a result of cost reduction initiatives** as well as a positive impact from the early adoption of the new IFRS 16 lease accounting standard
  - EBITDA adjusted growth at constant currency was 18.1%
  - EBITDA for the first nine months of 2018 increased by €3.2m as a result of the IFRS 16 transition

**Continued strong financial performance in 9M 2018**

(1) Post IFRS 16 adjustment.

# 9M 2017 to 9M 2018 revenue bridge

9M 2017 to 9M 2018 revenue bridge (€m)

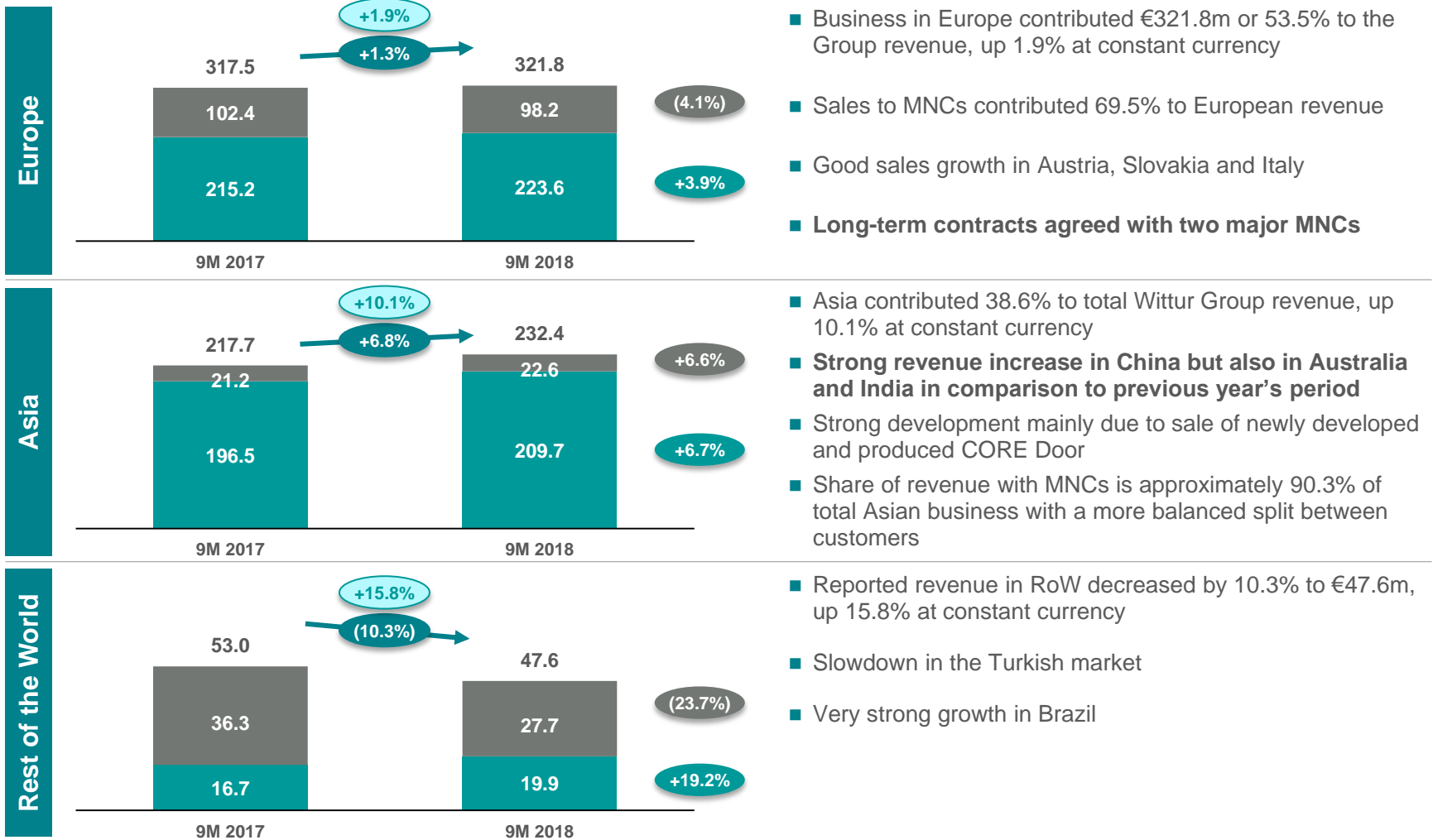


- Revenue up 6.2% or €36.2m on a constant currency basis, driven by growth in Europe, Asia and RoW
- Europe up 1.9% in constant currency (+€5.9m vs. 9M 2017), supported, amongst others, by Austria, Slovakia and Italy
- Asia showed strong growth of 10.1% on a constant currency basis (+€21.9m vs. 9M 2017), with a favourable trajectory in China, India and Australia
- RoW revenue grew by 15.8% on a constant currency basis (+€8.4m vs. 9M 2017), mainly supported by Argentina and Brazil

**Performance driven by resilient organic growth**

# Revenue development across regions 9M 2018

## Revenue development (€m)



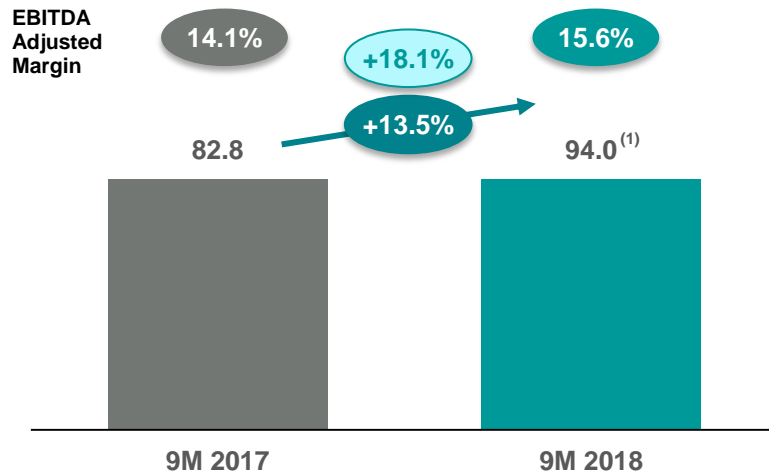
- Business in Europe contributed €321.8m or 53.5% to the Group revenue, up 1.9% at constant currency
- Sales to MNCs contributed 69.5% to European revenue
- Good sales growth in Austria, Slovakia and Italy
- **Long-term contracts agreed with two major MNCs**
- Asia contributed 38.6% to total Wittur Group revenue, up 10.1% at constant currency
- **Strong revenue increase in China but also in Australia and India in comparison to previous year's period**
- Strong development mainly due to sale of newly developed and produced CORE Door
- Share of revenue with MNCs is approximately 90.3% of total Asian business with a more balanced split between customers
- Reported revenue in RoW decreased by 10.3% to €47.6m, up 15.8% at constant currency
- Slowdown in the Turkish market
- Very strong growth in Brazil

**Positive momentum across all regions, with RoW affected by currency translation**

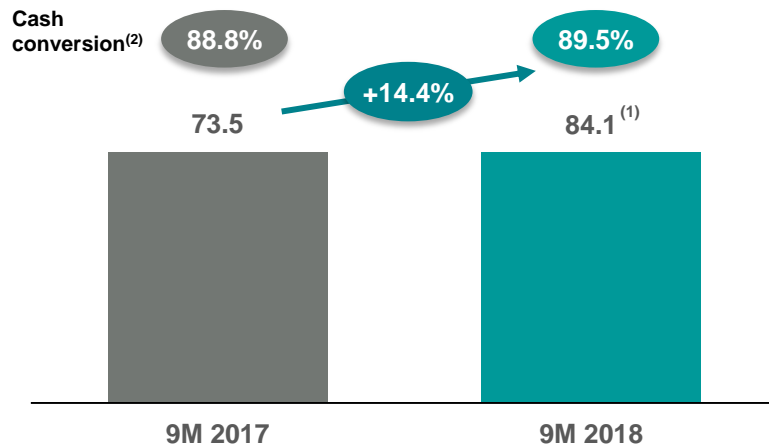
■ MNCs revenue      ● MNCs revenue growth         Growth at constant currency  
■ Independents revenue      ● Independents revenue growth         Growth as reported

# Evolution of EBITDA Adjusted in 9M 2018

## EBITDA Adjusted and margin development (€m)



## EBITDA Adjusted less capex evolution (€m)



## Key highlights

- EBITDA Adjusted up 13.5% (18.1% at constant currency) with 150 bps margin expansion supported by:
  - Underlying revenue growth
  - Strong recovery of Austria and Slovakia
  - Overhead cost improvements as a result of cost reduction initiatives initiated during the previous year, including the functional excellence program aimed at streamlining business functions
  - 25.2% and 2.7% y-o-y reduction in administrative and selling expenses, respectively
  - Early adoption of IFRS16 leasing standard (positive effect of €3.2m)
- Solid cash generation profile with EBITDA Adjusted less capex up 14.4% vs. 9M 2017 and cash conversion of c.90% in 9M 2018

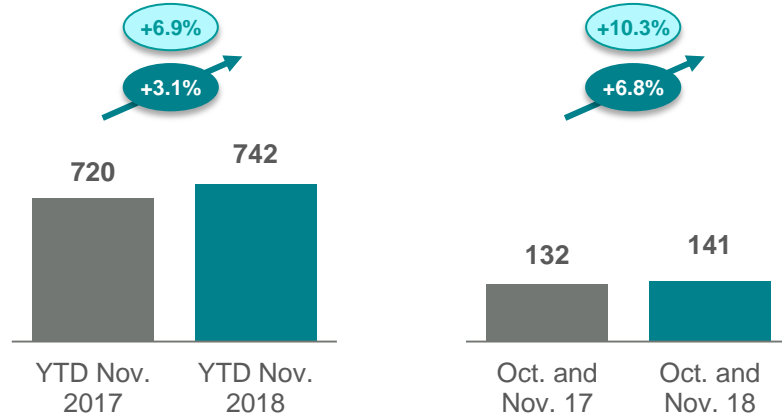
**Strong EBITDA Adjusted evolution with 13.5% growth and c.150bps margin increase**

(1) Post IFRS 16 adjustment.  
 (2) Defined as (EBITDA Adjusted – Capex) / EBITDA Adjusted.

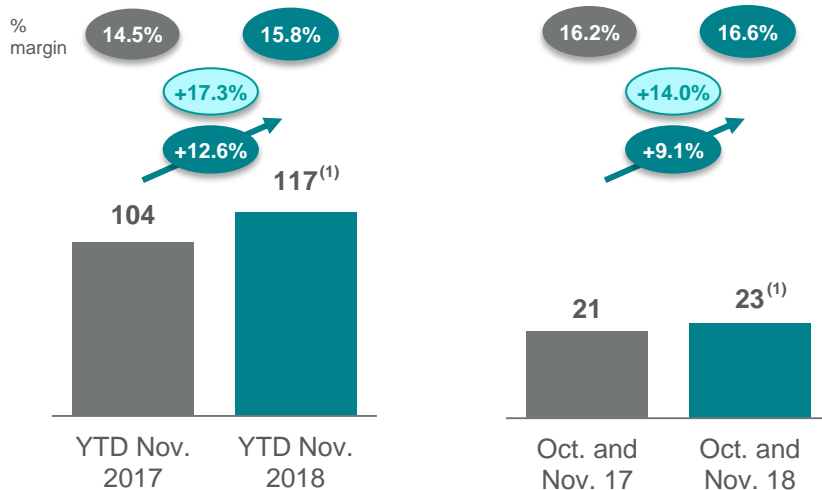
Light blue circle: Growth at constant currency  
 Dark blue circle: Growth as reported

# Current trading results

## Revenue (€m)



## EBITDA Adjusted and margin (€m, %)

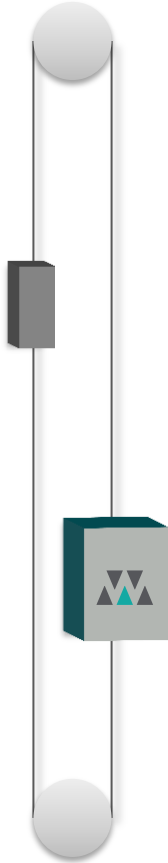


## Key highlights

- YTD November 2018 revenue up c.3.1% y-o-y
  - Driven by supportive organic performance across Europe and Asia, offset by negative exchange rate effects on revenues from Rest of the World
- YTD November 2018 EBITDA Adjusted, up c.12.6% y-o-y
  - Driven by revenue growth, strong recovery in Austria and Slovakia and overhead cost improvements as a result of cost reduction initiatives
  - Positive impact from early adoption of new IFRS 16 accounting policy with c.€4.1m
- EBITDA Adjusted margin increased by c.130bps in YTD November 2018 compared to the same period in the prior year
- Normalizations in YTD November 2018 period amount to c.€18.3m, 62.2% below the same period in the prior year
- LTM November 2018 EBITDA Adjusted amounted to c.€120.1m<sup>(1)</sup>

Note: The above results for October and November 2018 and YTD 2018 are preliminary and have not been audited, reviewed or verified yet. Consequently the actual financial results may differ materially from the foregoing preliminary financial results.  
 (1) Post IFRS 16 adjustment.

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# Sources, Uses & Pro forma capitalisation table

Sources	€m
Term Loan B Add-on	55
<b>Total sources</b>	<b>55</b>

Uses	€m
Repayment of VLNs and related costs	49
Indicative Transaction costs	4
General corporate purposes	3
<b>Total Uses<sup>(1)</sup></b>	<b>55</b>

(€m)	Current as of Sep-18			Pro forma				
	Amount	x EBITDA	Adj.	Amount	x EBITDA	Maturity	Coupon	Floor
Cash	(80)		(3)	(83)				
Finance leases & IFRS 16 adjustments	17		-	17				
Other debt	20		-	20				
Term Loan B	464		55	519		Mar-22	E+400bps	1.00%
<b>Net secured debt</b>	<b>421</b>	<b>3.5x</b>	<b>52</b>	<b>473</b>	<b>4.0x<sup>(2)</sup></b>			
Existing Senior Notes	225	1.9x	-	225	1.9x	Feb-23	8.50%	n.a.
<b>Total net debt</b>	<b>646</b>	<b>5.4x</b>	<b>52</b>	<b>698</b>	<b>5.9x<sup>(2)</sup></b>			
RCF (€80m <sup>(3)</sup> undrawn)	-							
<b>LTM Sep-18 EBITDA Adjusted</b>	<b>119</b>							

**Significant equity cushion implied based on EV / EBITDA multiple in excess of 10x<sup>(4)</sup> validated by PSP's investment**

Note: Rounded leverage ratios, Capital Structure and EBITDA presented post IFRS 16 adjustments.

(1) Total Uses does not add up due to rounding.

(2) For the purposes of debt incurrence under the SFA only the TLB is included.

(3) To be upsized by €10m.

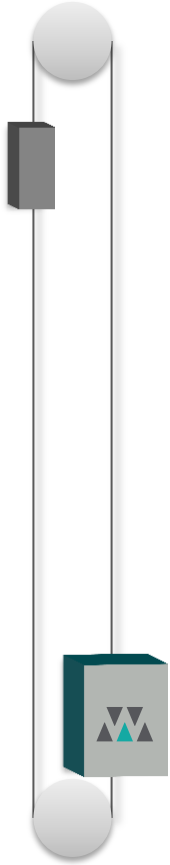
(4) Based on LTM Sep-18 EBITDA Adjusted.

# Summary terms

## EUR Term Loan B Add-on

<b>Borrower</b>	Wittur Holding GmbH
<b>Ranking / security</b>	First ranking senior secured (fungible add-on to existing TLB)
<b>Guarantors</b>	Guarantor coverage test set at 80% of gross assets and EBITDA (excluding China) and material subsidiaries (same as existing)
<b>Currency</b>	EUR
<b>Gross amount</b>	€55,000,000
<b>Maturity</b>	31 March 2022 (per existing TLB)
<b>Margin</b>	E + 400 bps (per existing TLB)
<b>Floor</b>	1.00% Euribor floor (per existing TLB)
<b>Covenants</b>	Covenant lite as per existing term loan. Springing leverage covenant applicable to the RCF (same as existing)
<b>Permitted indebtedness amendment</b>	Additional one-time capacity to incur the EUR Term Loan B Add-on under the Senior Facilities Agreement
<b>Permitted payments amendment</b>	Additional one-time capacity to distribute proceeds, in an amount not exceeding the principal amount of the EUR Term Loan B Add-on, out of the “Banking Group” under the Senior Facilities Agreement to repay the VLNs and related interest, fees, costs and expenses

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# Q&A