SEMPERIT GROUP
FUTURE STRATEGY:
Focus on industrial rubber, Separation from medical business

Dr Martin Füllenbach, CEO

Frank Gumbinger, CFO

30 January 2020

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Agenda

1. Towards market orientation
2. Changing Business Model
3. New Financial Framework
4. New Financial Targets
5. New Investment Proposition

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Higher market and customer orientation

Industry only	• New industrial rubber strategy with focus on regional and application-related customer intimacy • New COO for Industrial core business with strong industry specific background • Separation from the medical segment decided
Organic growth	• 5% CAGR • Regional differentiation (North America) • Leverage volume business & niche specialization
Geographic expansion	• New centralised regional centre in the US • Local production to leverage technology advantage, sales and supply chain
Product diversification	• New industrial rubber strategy with focus on application-related customer intimacy • Customer Excellence Centre for developing new industries • New Semperseal segment set up on of 1 January 2020
Innovation & digitalization	• Digitalization of product portfolio (Digital / Smart Products) • Innovate in digital fields, e.g. services

1st key initiatives

- New industrial rubber strategy with focus on regional and application-related customer intimacy
- New COO for Industrial core business appointed in charge of Semperit Lean Programme, supply chain management and Mixing business
- Separation from the medical segment decided

- Set up new centralised regional centre in the US which has strongest growth potential in the mid-term
- Plans for local production to leverage technology advantage, sales and supply chain

- Business units Profiles and Rubber Sheeting separated from Semperform segment and operated as new SemperSeal segment as of 1 January 2020
- Semperform will exclusively focus on handrails, sheave and bull wheel liners with clear application for ropeways, ski foils and Engineered Solutions (SES)

- Customer Excellence Centre set up to focus more strongly on undeveloped industries, the digitalization of product portfolio and further application for product range

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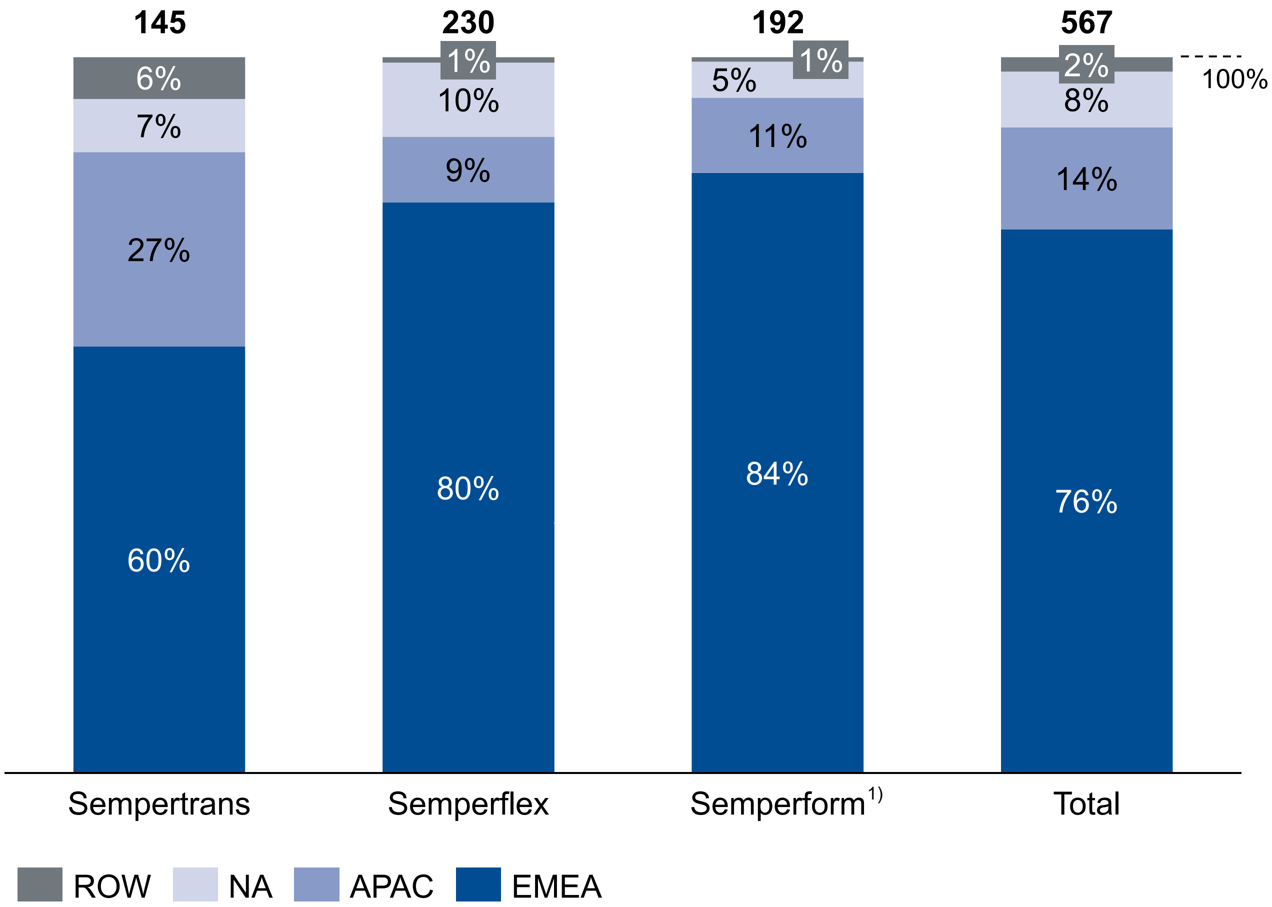
Leveraging new growth opportunities –Semper Growth200

Low coverage of regions and industries	• Diversify portfolio geographically with first focal point on North America
Competition predominantly by (product-) cost positioning **Strong know how in Material and Process development, however lacking Product development**	• Product and customer centric focus • Digitization and innovation • Develop new applications
High concentration of process know-how **Suboptimal steering and operating model**	• More decentralised decision making • Synergy potential of a centrally steered supply chain / production • Adopt SG&A & Shared Services

Example: The portfolio of the industry sector is heavily exposed to the European market with ~75% of total revenues in 2018

Semperit Industrial Sector – Segment Revenues by Region

[EUR mn, 2018]



- Throughout the businesses, EMEA and especially Western Europe / Germany is the dominant market, accounting for ~50%-90% of total revenues
- The exposure is especially high for Semperflex, Semperform and Semperseal[1)]
- Sempertrans is more diversified, but needs to better address growth markets outside of Europe, due to the coal phase-out and low growth rates of ~2.5% across Western Europe
- Therefore, Semperit's business and M&A strategy has to address a further regional diversification

1) As of 2020 Semperform is split in two segments: Semperform and Semperseal

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Principles of financial policy

Stringent value management and cash generation

FOCUS:
top-line growth,
profitability,
cash and returns

KEY KPIs:
Sales growth,
EBITDA margin,
FCF,
ROCE

PRINCIPLES:
portfolio upgrade, platform leverage, operational excellence,
financial discipline, capital efficiency, risk management, ESG commitment, shareholder return

Mid-term Capital allocation priorities

- Organic growth
- Balance sheet management
- Future dividend commitment (50% of positive net result)
- Bolt-on acquisitions (contingent on Sempermed sale)
- Mid-term ROCE target: ~10%

New financial policy framework

Based on the new Industrial structure

5% CAGR top-line growth	Group EBITDA margin ~13% (by end of 2024)	Free Cash Flow positive t+1 following sale of Sempermed	ROCE ~10% (by end of 2024)
Equity ratio >30%	Net debt / EBITDA <3.5x	Working capital to revenue <22%	Cost at Corporate Centre at annual run rate of ~ € 15-20m

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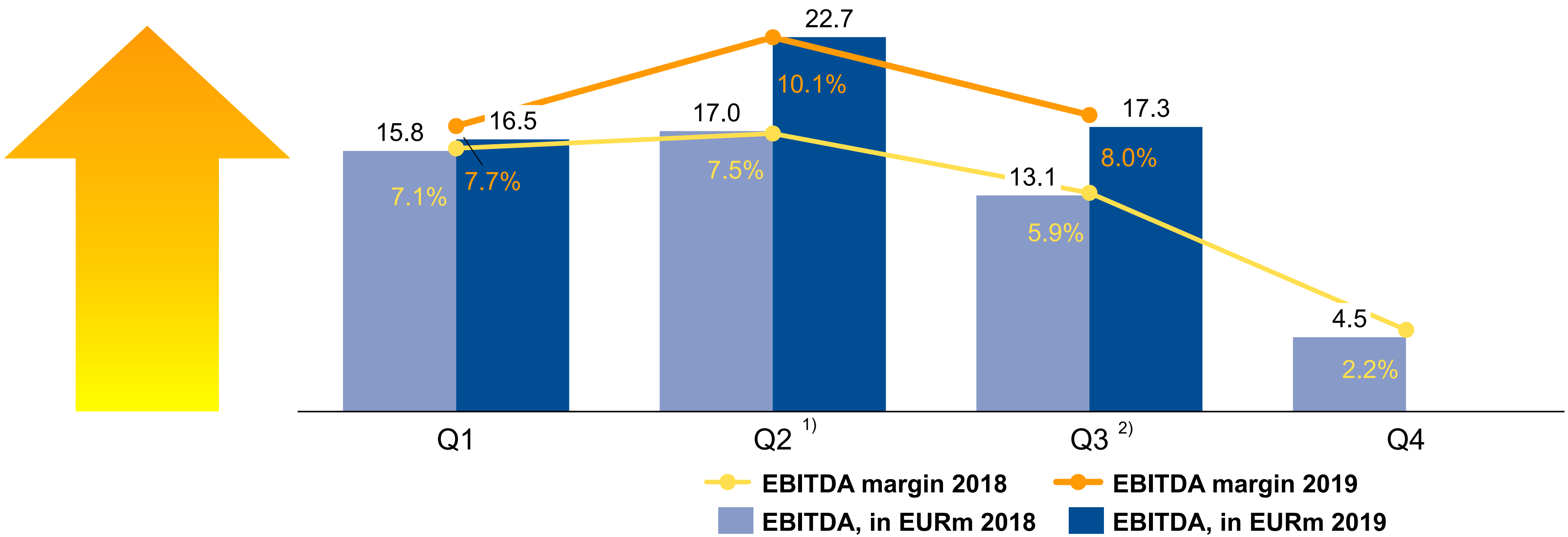
Sempermove10 shows material impact: Consistent yoy EBITDA improvement for 7th consecutive quarter



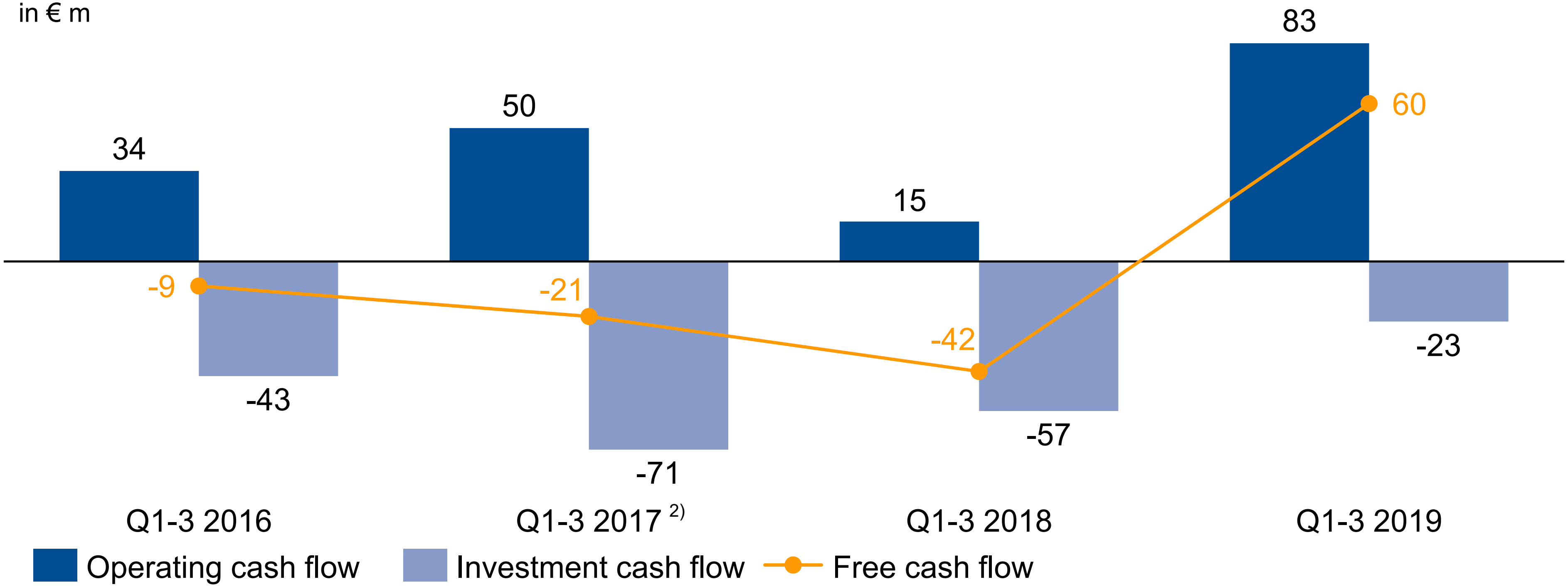
- Positive development of profitability clearly visible
  – and to be continued in the mid term despite economic cycles

1) Q1-3 2018 and Q2 2018 EBITDA adjusted by € 4m due to closure of Sempertrans site in China.
2) Q1-3 2019 and Q2 2019 EBITDA adjusted by € 4m due to release of provision in Sempermed for Brazilian court case

Cash flow development

- Improved results, active WC management and strict CAPEX control support cashflow development
- First positive free cash flow after negative previous years

Development of cash flow components[1)]
in € m



1) Cash flow calculation methodology change as of end of 2018, numbers for Q1-3 2016-2018 adjusted accordingly: "interest received" is now shown under cash flow from investing activities instead of operating activities, "interest paid" now included in cash flow from financing activities instead of operating activities.
2) 2017 investment cash flow adjusted by 160 EUR m (Joint Venture Termination)

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Financial profile and covenants

Equity ratio of 39.7% as of 30 September 2019
(Covenant: >30%)

Net debt / EBITDA of 1.1 times
(Covenant: <3.5x)

Hybrid capital of €130m strengthens equity, additional option to draw remaining 20 mn
⇨ strengthened equity being a perpetual, review exercise of call option

Further optimisation of financing costs
⇨ Further diversify funding sources and balance maturity profile

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New financial targets with focus on industrial rubber

	Ø 2017 – Q1-3'19	2024
Sales	0%	5% CAGR top-line annual growth[1)]
EBITDA Margin adj.	5.9%	Group EBITDA margin move to ~13%
Free Cash Flow	'16 – '18: negative[2)] '19: positive	positive t+1 following sale of Sempermed
ROCE	–	ROCE ~10%
Equity ratio	38%	Equity ratio >30% (defined covenant)
Net debt / EBITDA	1.7x	Net debt / EBITDA <3.5x (defined covenant)
WC / Revenue	20%	Working capital to revenue <22%

1) Based on figures 2020-2024, thus CAGR based on growth ratios 2021-2024
2) Free Cash Flow 2017 adjusted by € 160m (Joint Venture Termination)

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New Investment Proposition

Industrial rubber specialist leveraging new growth prospects	• International diversification with stronger focus on North America • Global platform for procurement, supply chain and manufacturing excellence
…with newly reshaped Industrial segment	• Centralised regional centres with clear focus on profitability and customer intimacy • CEC for developing new regions and industries
Innovation & digitalisation	• Strong know-how in material and process development being applied for new product development • New growth potential through digital initiatives and talent acquisition
Strong capital base and stringent value management	• Clear capital allocation priorities with focus on organic growth • Active balance sheet management and commitment to shareholder return
Clear ESG commitment	• Safety first • Reduction of CO_2 footprint • Employer of choice

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