

BRAAS MONIER
BUILDING GROUP

CAPITAL MARKETS DAY
2015

Karstädt / Berlin
11 November 2015

Agenda (1/2)

- 08:00 am **Growth Strategy No. 1**
Pepyn Dinandt, CEO
- 08:30 am **Karstädt Light**
Gerhard Mühlbeyer, Global Industrial Director
- 08:45 am **Factory Excellence**
Gerhard Mühlbeyer, Global Industrial Director
- Short break
- 09:30 am **Plant Tour – Clay Tiles**
3 Groups
- 11:15 am **Financial Update**
Matthew Russell, CFO
- 12:15 pm **Breakthrough innovation**
Dr Christian Pohl, Director Technical Centre

Bus transfer to Berlin

Agenda (2/2)

02:45 pm

Plant Tour – Components

Product demonstration Wakaflex / WrapTec

2 Groups

Short break

04:00 pm

Outlook

Pepyn Dinandt, CEO

04:45 pm

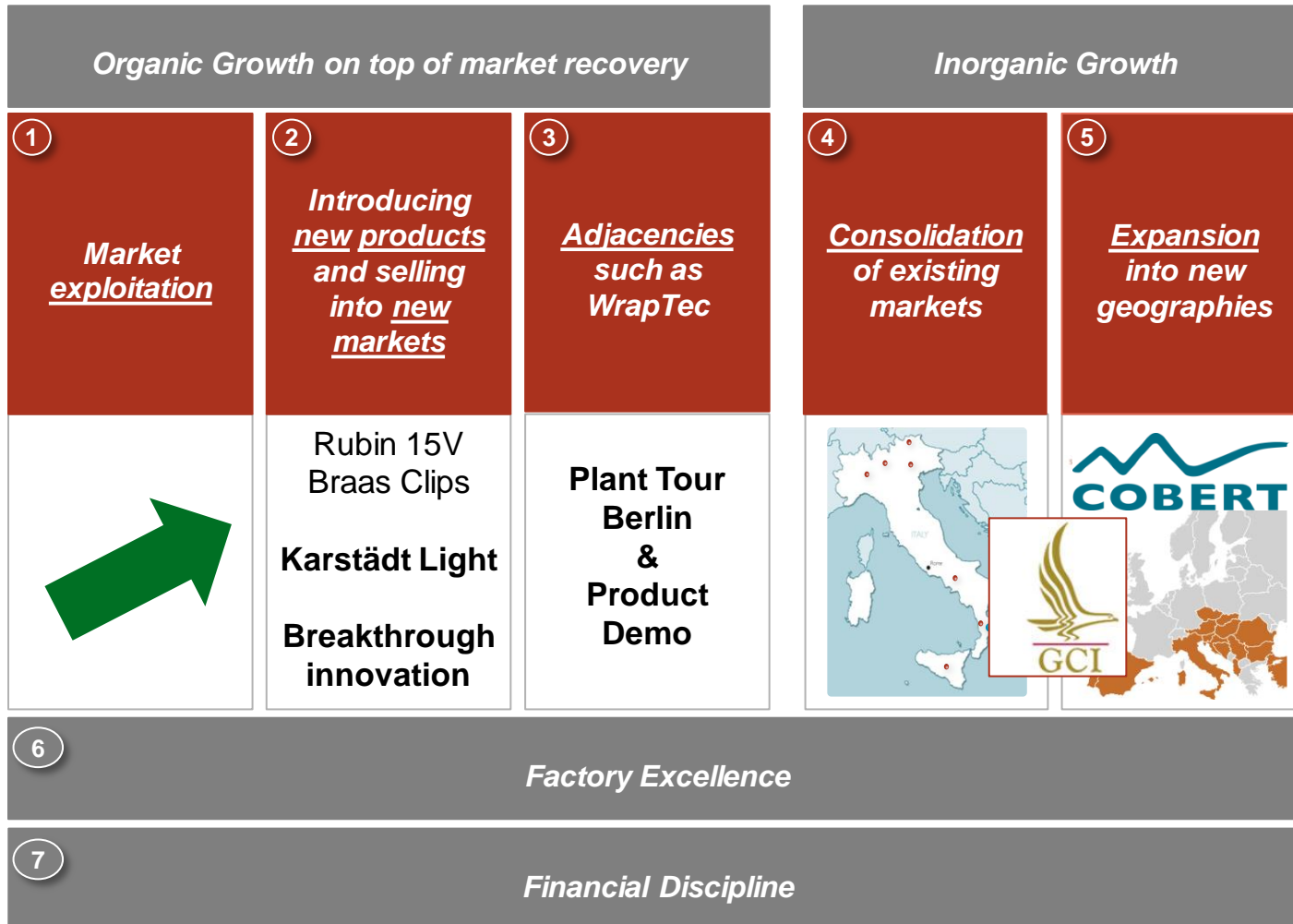
Q&A Session

Pepyn Dinandt, Matthew Russell, Gerhard Mühlbeyer

Bus transfer to Berlin Airport

GROWTH STRATEGY NO. 1 – PEPYN DINANDT

Growth Strategy No. 1: How to deliver our growth and ensure maximum drop-through

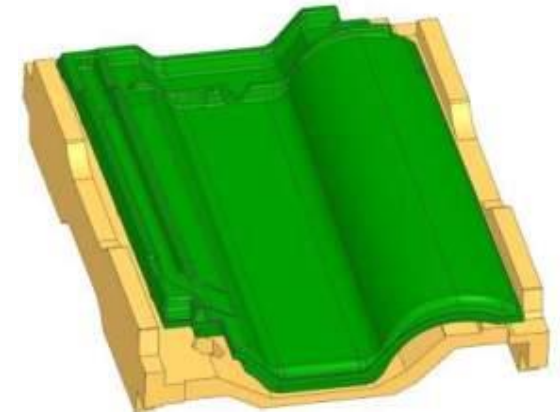


KARSTÄDT LIGHT –
GERHARD MÜHLBEYER

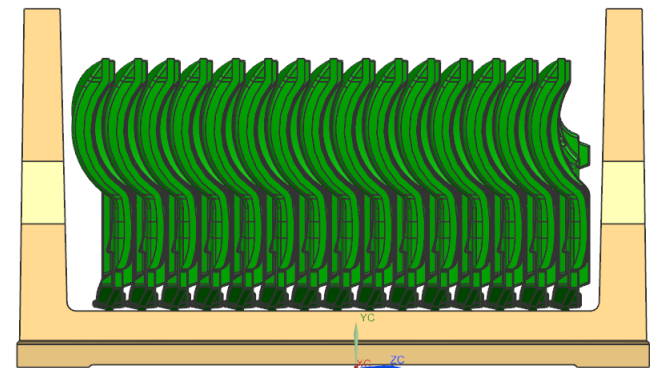
Competitors in the Polish Clay tile market



H-Cassette



U-Cassette



We decided to mothball Pryzsucha and deliver from our cost efficient, high quality plant Obergräfenhain

Main products supplied to Poland are Rubin 9V and Rubin 13V

The demand for both products increased and it became clear that we need **additional capacity to participate in this growth**

Kiln capacity was available in Karstädt

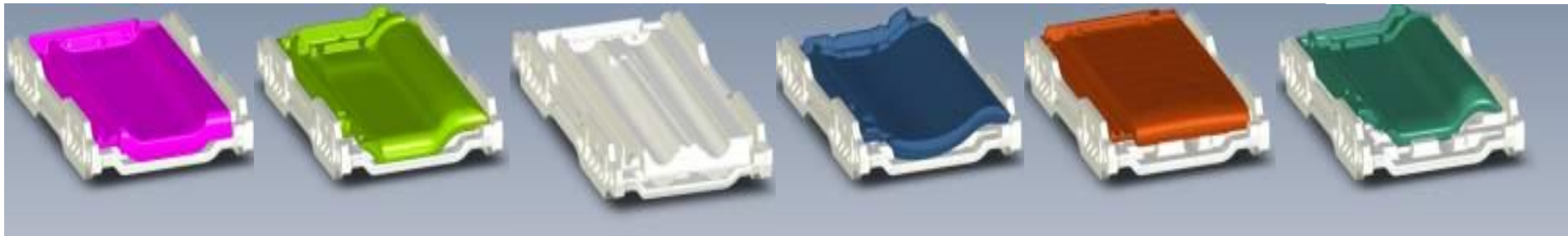
Only issue: the plant could not produce Rubin 13V



New technical platform was developed - new drying trays, new cassettes, new moulds -



The new technical platform allows us to produce/place 6 different products on the same drying trays and cassettes, including the Rubin 13V



Topas 11V

Rubin11V

Granat 11V

Nova

Turmalin

Rubin13V

Clay tile plants can usually do 3-4 products on a cassette → Karstädt does **6**

Profile changes are usually time consuming and reduce efficiencies.

In Karstädt it happens without any loss in efficiency as we use necessary machine set up times for the profile change.

The new technical platform is an industry benchmark

Investment in Karstädt was compared to the Pryzsucha option



	Pryzsucha	Karstädt
Capex	EUR 14.5 m	EUR 3.15 m
Payback in years	7.6	4.0
Add. Headcount	73	6 (in 2016)

We decided to use the free capacities in Karstädt and to invest in a new technical platform for Kiln 3

The investment was finished beginning of July 2015, trial production started in July, regular production in August.

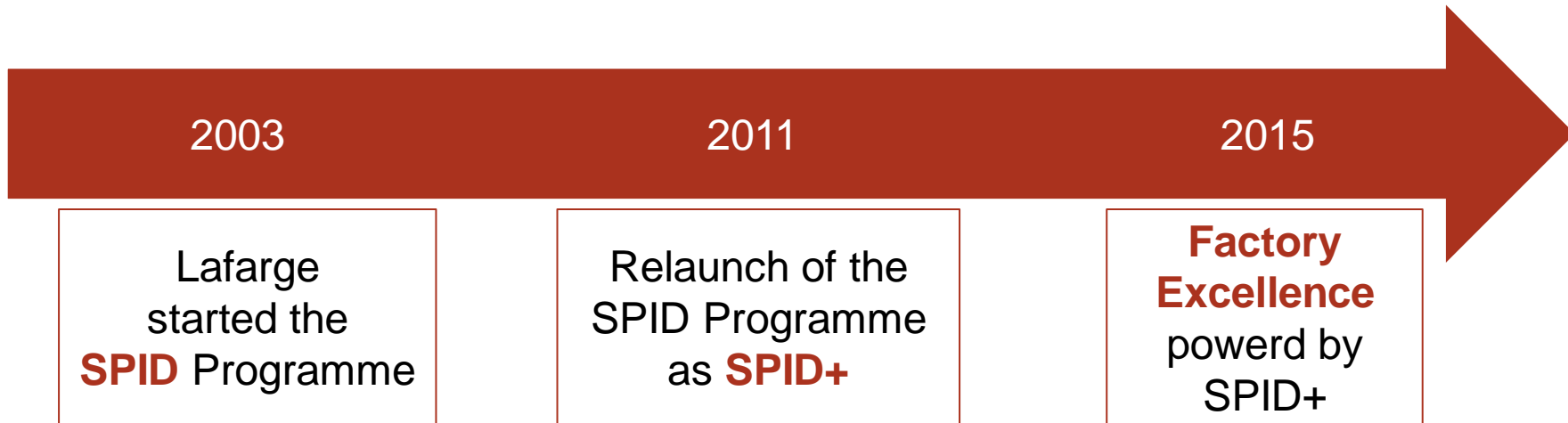
Capacity utilisation	2014	2015 (YTD)	2016e
Line 1 (max. 10 mio tiles)	85%	81%	100%
Line 2 (max. 2 mio tiles)	40%	50%	52%
Line 3 (max. 18 mio tiles)	30%	46%	53%

Karstädt light investment summary

1. CAPEX significantly below the Pryzsucha option
2. Payback of 4.0 years
3. Supply to Poland and Bramac region adds sustainable growth
4. Industrial platform in Karstädt the most flexible in the industry
5. Obergräfenhain and Karstädt can easily react to the market demand for Rubin 9V and 13V by shifting volume to 3 different kilns (2 in Obergräfenhain, 1 in Karstädt)
6. Karstädt flexible to produce additional volume of Topas, Granat, Nova if required

FACTORY EXCELLENCE –
GERHARD MÜHLBEYER

Operational Excellence Programmes at Braas Monier



SPID stands for

Superior **P**erformance in the **I**ndustrial **D**omain

Our Factory Excellence builds on the foundation of SPID+ but was redesigned as we realised end 2014 that SPID+ did not reach the shop floor enough

FactoryExcellence: What do we want to achieve and how do we get there?

FactoryExcellence objective
What do we want to achieve?

FactoryExcellence elements
What are the elements that get us there?

*Sustainable improvement
of plant performance*
→ Safety, lower unit costs,
improved quality

Braas Monier Production System

**Braas Monier Training Toolkit
(based on BM Production System)**

KPI's and tracking concept / tool



The redesign of the programme was done bottom up with selected plant managers, industrial directors, supported by central functions like Group Quality, H&S, Communications

**FactoryExcellence –
Programme is based on our vision**



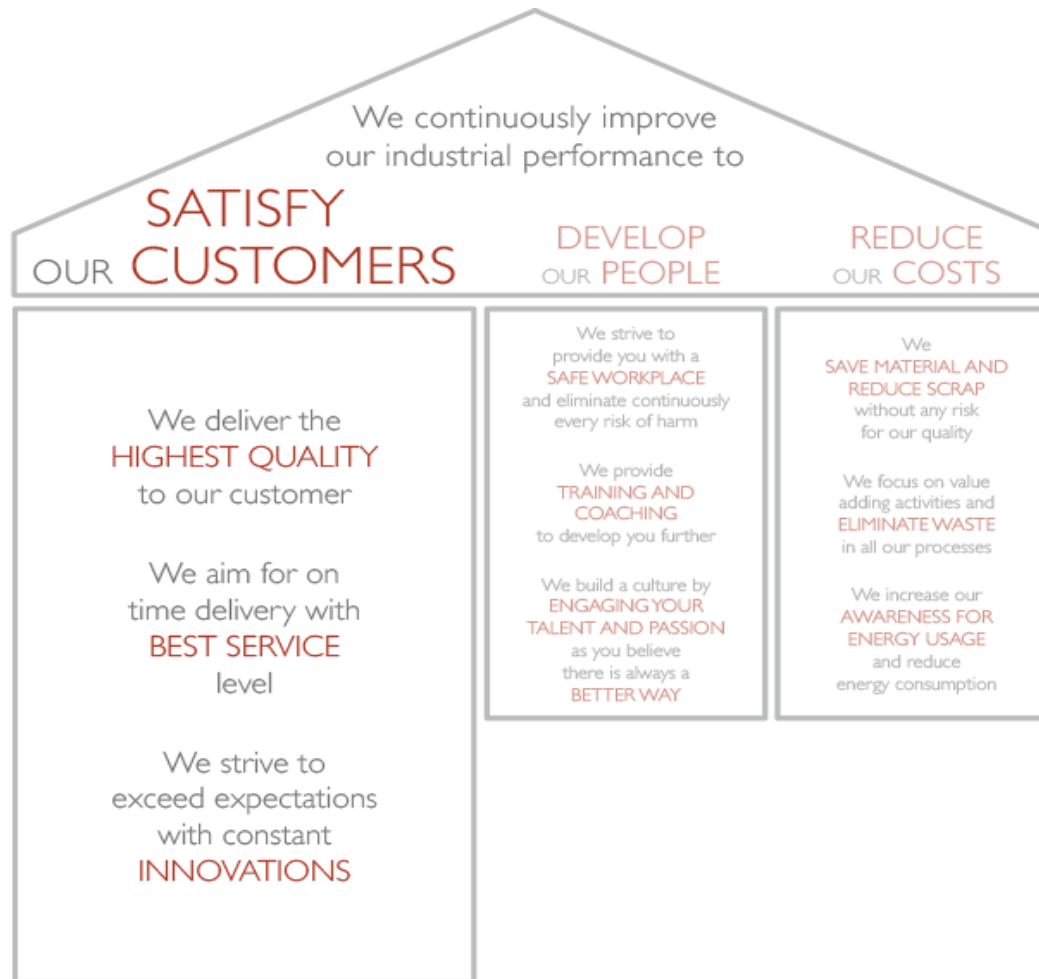
We continuously improve
our industrial performance to

SATISFY OUR CUSTOMERS

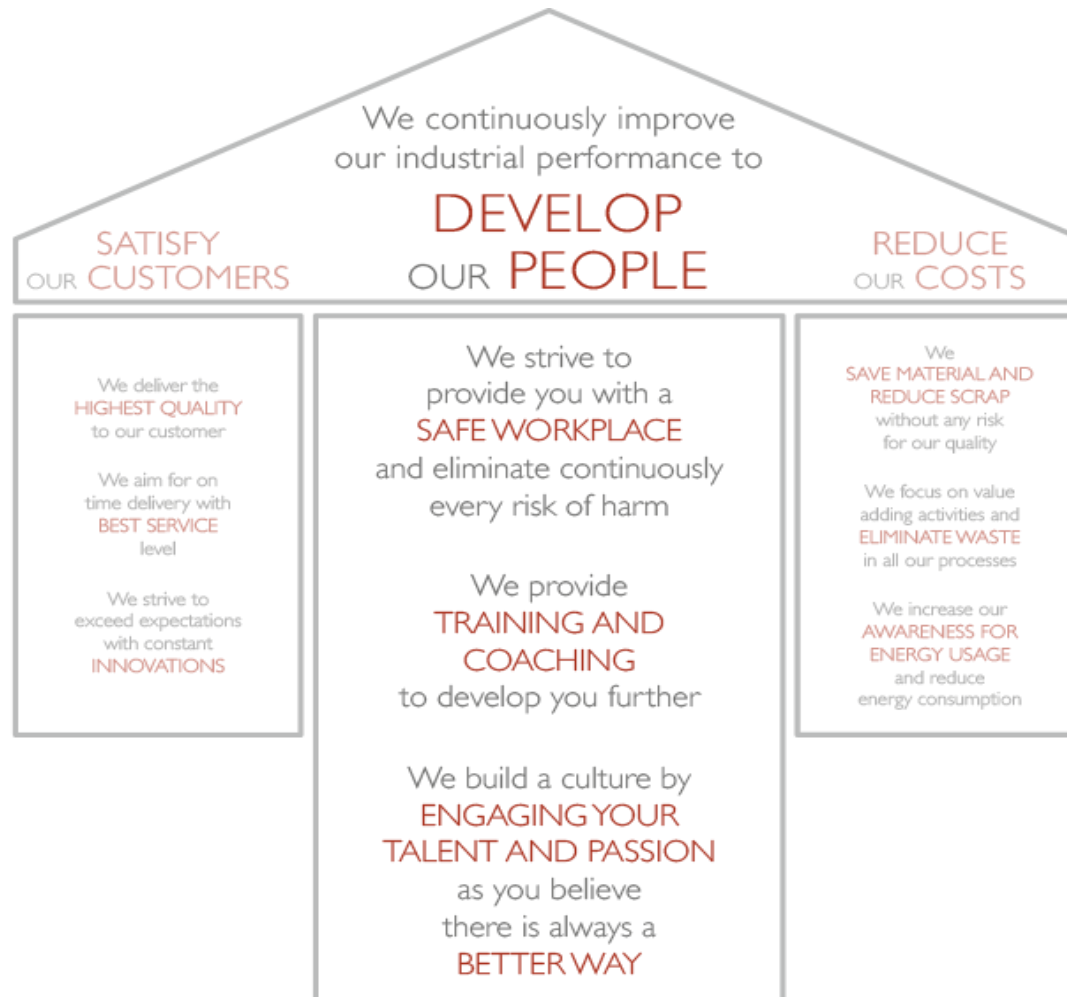
DEVELOP OUR PEOPLE

REDUCE OUR COSTS

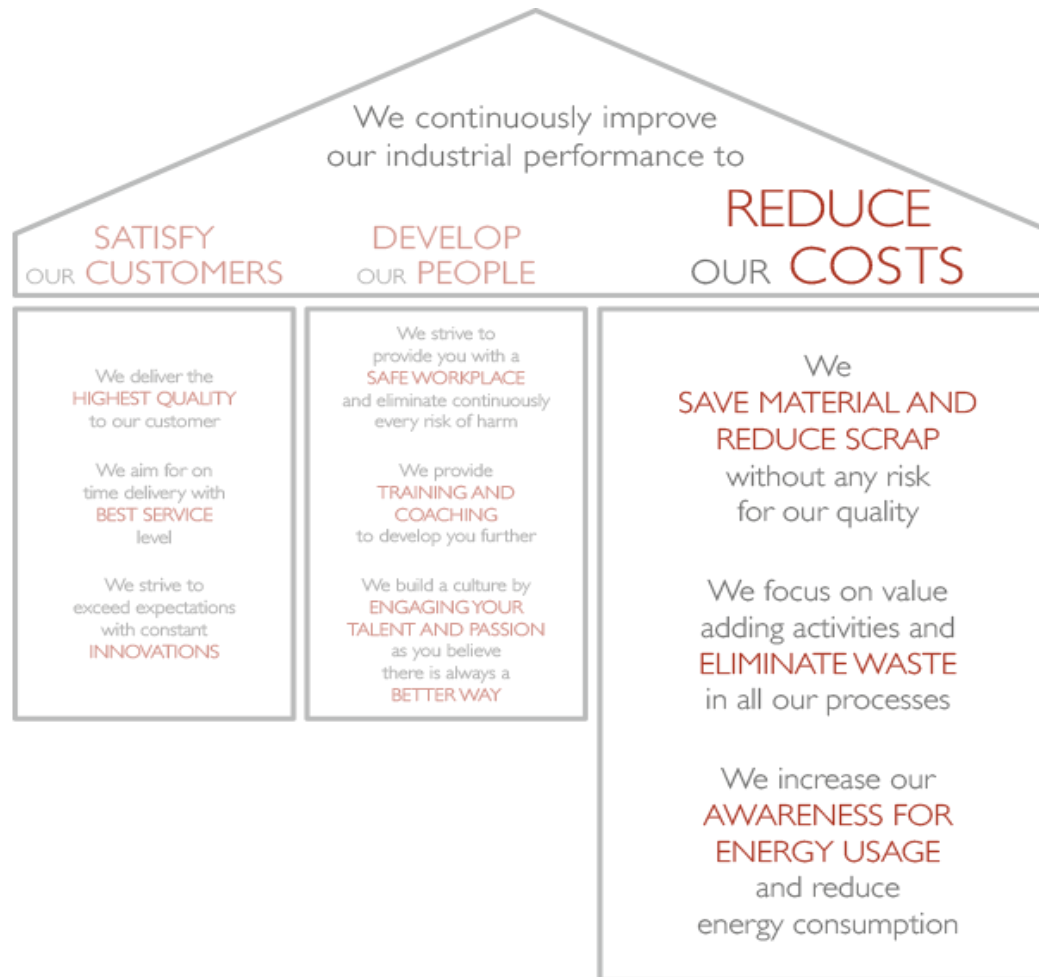
FactoryExcellence – Customers



FactoryExcellence – People



FactoryExcellence – Costs



Roll-out focussing on Europe

	# plants	Visited by the end of 2015	1-3 visits	1,2 visits	1 visit
Central, Northern & Eastern Europe	23	19 (83%)	3	8	8
Southern Europe	22	8 (36%)	8	0	0
Western Europe + South Africa	24	19 (79%)	5	9	5
Chimneys & Energy Systems	21	8 (38%)	2	6	0
Components Europe	4	1 (25%)	1	0	0

- Roll-out in Asia to start mid of 2016 and finish mid of 2017
- Roll-out in Europe finished end of 2016

After the roll out the programme will be transferred into a continuous improvement project with

- additional plant visits
- improvement checks in the plants to detect further opportunities
- networking and good practice sharing between plants/regions

Measuring the success of Factory Excellence

We will measure the success of Factory Excellence in accordance with our vision

- **Satisfy our customers**

- Measures:
- innovations introduced in our markets
example: breakthrough tile innovation
 - customer complaint index
 - complaint cost / country / plant

- **Develop our people**

- Measures:
- safety targets: LTI, number of safety dialogues, near miss reporting
 - % of people trained in the FE training modules:
target = 100% by mid of 2017
 - number of implemented improvement ideas

- **Reduce our costs**

- Measures:
- UVC specifically the consumption of raw material, labour
 - scrap level main tiles -10%, fittings -20%
 - OEE* and labour productivity +5%
 - energy consumption for clay historically was reduced by 1-1.5% per year, we will keep the pace

* Overall Equipment Efficiency

PLANT KARSTÄDT –
GERHARD MÜHLBEYER

Karstädt looks back to more than 50 years of experience in ceramic production



- 1960: Foundation of the factory and start of the roof tile production as Brandenburger Dachkeramik
 - Other product lines 1963 - 1991:
 - Building brick production
 - Stoneware production
 - Glazed stoneware tiles
 - Wall tiles
- 1991: Brandenburger Dachkeramik became a 50% subsidiary of the companies Heisterholz and Meyer-Holsen
- **1994: The new clay plant Karstädt was built**
- 1997: Heisterholz takes full ownership
- 2001: Takeover of Heisterholz by RuppKeramik and transition to Braas

Karstädt today

- Site area: 300,000 m²
 - Building size: 35,000 m²
 - Warehouse space: 40,000 m²
- Production capacity: 30 million units p.a.
 - Production line 1: 10 million tiles
 - Production line 2: 2 million pieces of fittings
 - Production line 3: 18 million tiles
- Storage capacity: 7 million units
- Employees: 92.5
- Clay pit Streesow: 54.8 ha
 - 7 km from the factory
 - Demand for raw materials 60,000 tonnes per year
 - 20 years raw material in stock



Our management team



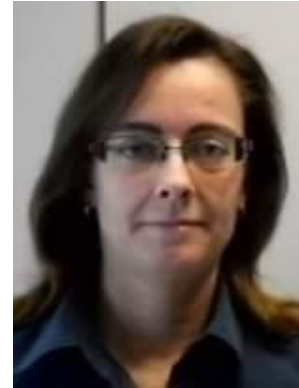
**Hans Peter
Fester**

Plant Manager



**Jens
Schlund**

Head of
Maintenance



**Carola
Münzberger**

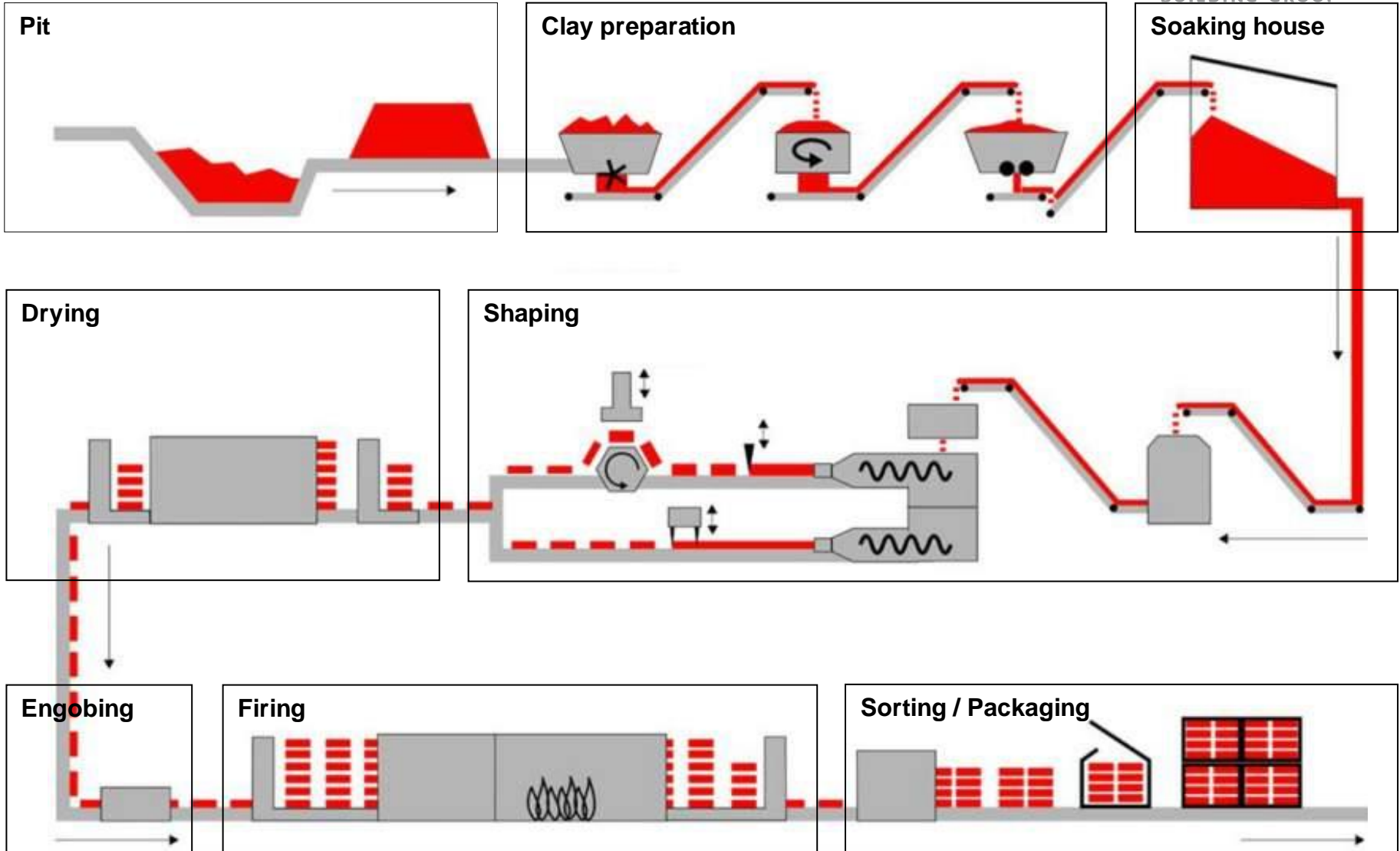
Quality Manager



**Mario
Bahl**

Warehouse
Manager

Manufacturing process



Braas roof tiles – made at the Karstädt site

With an average product age of just 6 years, it's one of the most current product portfolios on the European tile market



Rubin 13V
Our masterpiece
(Flat roof tile, 2015)



Tourmaline
Modern and appealing
(Flat tile, 2003)



Topas 11V
Classically elegant
(Pantile, 2014)



Granat 11V
Traditional
(Interlocking pantile, 2006)



Rubin 11V
Timeless beauty
(Flat roof tile, 2006)



Achat 10V
Classical North German
(Interlocking pantile, 2013)



Nova
Nordic modern
(Interlocking pantile, 2011)



Nortegl
Expressive and traditional
(Interlocking pantile, 2002)

Roof tiles by Karstädt – at home on many roofs in Europe

- Karstädt as a strong export partner
 - 20 years of export experience
 - In the last 5 years alone, more than 40 million roofing tiles were exported
 - Today, Poland is the third largest market for roof tiles made by Karstädt, especially the “Turmalin”
 - With the expansion of Rubin 13V to Karstädt, the share of exports to Poland will significantly increase once again



Safety Rules for Visitors

-  1 Betriebsfremde Personen dürfen sich nicht ohne Begleitung auf dem Werksgelände und in den Produktionsbereichen aufhalten.
Follow the instructions of your guide. Do not stay far from the group.
-  2 Nur die kenntlich gemachten Fußwege und Flächen benutzen.
Only move on marked paths and spaces.
-  3 Den Sicherheitsabstand zu Maschinen und Anlagen einhalten.
Keep safety distance to machines and technical installations.
-  4 Nicht unter schwebende Lasten treten.
Don't enter or move under floating loads.
-  5 Den Staplerverkehr beachten.
Pay attention to the forklift traffic.
-  6 Im gesamten Werk besteht ein Rauch- und Alkoholverbot.
Smoking and alcohol prohibited.
-  7 Im Produktionsbereich keine Krawatten, Schals und Halstücher tragen.
Take off ties, scarves and shawls.
-  8 Im Brandfalle (Sirene) sofort das Gebäude verlassen und am Sammelpunkt einfinden.
In case of fire (siren) leave the building immediately and go to the staging area.
-  9 Das Fotografieren auf dem gesamten Werksgelände ist nur mit der Genehmigung der Werkleitung erlaubt.
No photographing without prior authorisation by plant management.
-  10 Auf dem gesamten Werksgelände ist das Tragen einer Sicherheits-Warmweste erforderlich, welche gestellt wird.
On the total site it is necessary to wear a safety vest, which is provided.

FINANCIAL UPDATE –
MATTHEW RUSSELL

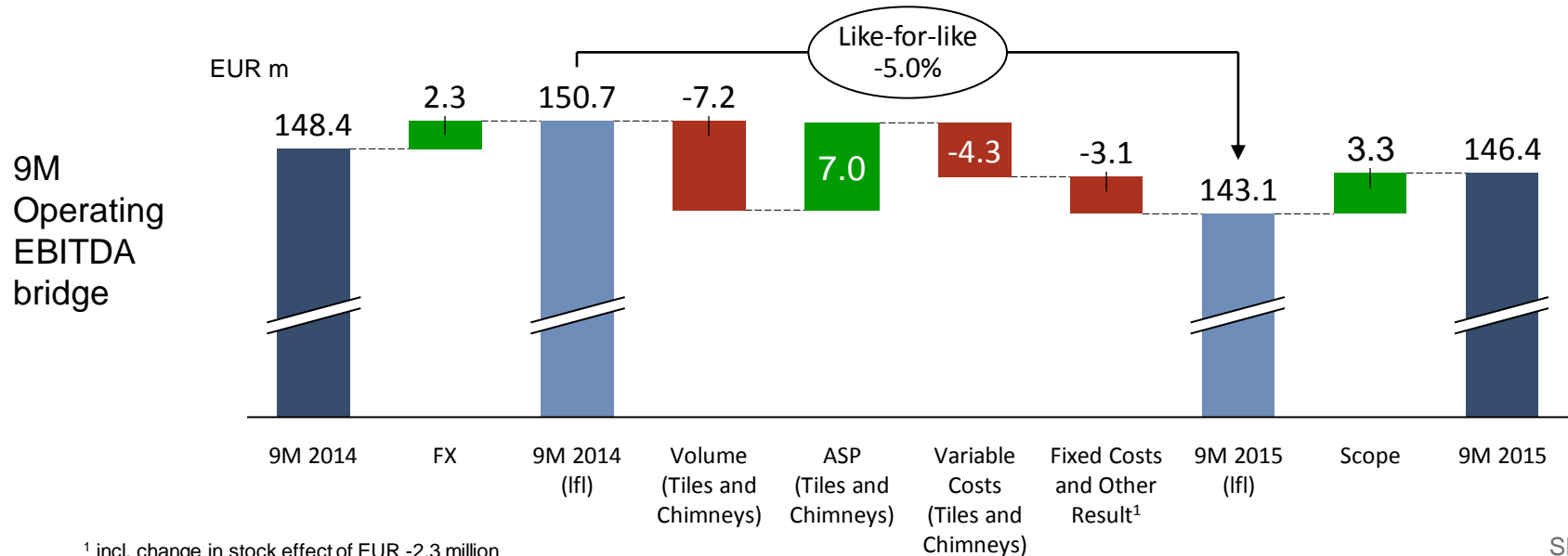
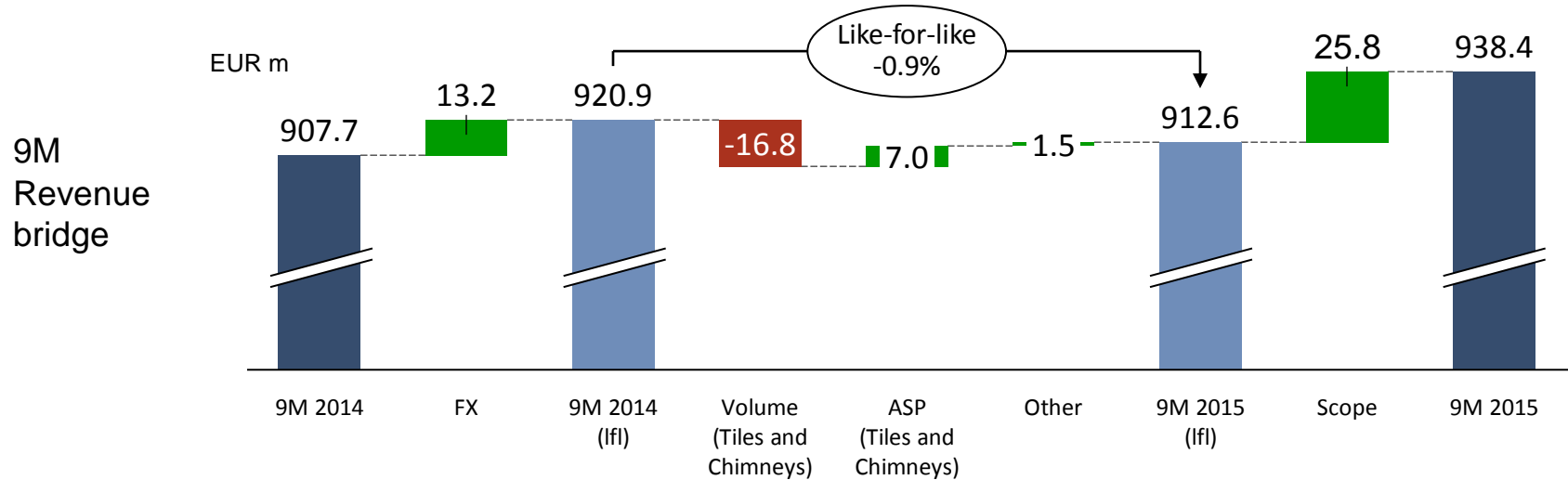
Q3 RESULTS

Summary consolidated income statement

(EUR million)

	Q3 2015	Q3 2014	9M 2015	9M 2014
Revenues	352.4	342.4	938.4	907.7
Operating EBITDA	68.8	67.4	146.4	148.4
in % of revenue	19.5%	19.7%	15.6%	16.3%
Depreciation and amortisation	21.1	21.9	65.5	69.5
Result from associates	0.2	0.3	0.7	0.6
Operating income	47.9	45.8	81.7	79.4
Non-operating result	0.1	0.0	1.1	0.7
Earnings before interest and taxes (EBIT)	48.0	45.8	82.7	80.1
Finance result	-13.3	-11.5	-33.8	-38.0
Earnings before taxes (EBT)	34.7	34.3	49.0	42.1
Income taxes	-11.2	-11.3	-15.8	-13.9
Profit (loss) for the period	23.5	23.0	33.2	28.2
Minorities	0.1	0.1	0.0	-0.1
Group share of profit	23.5	22.9	33.2	28.3

Revenue and Operating EBITDA development in 9M

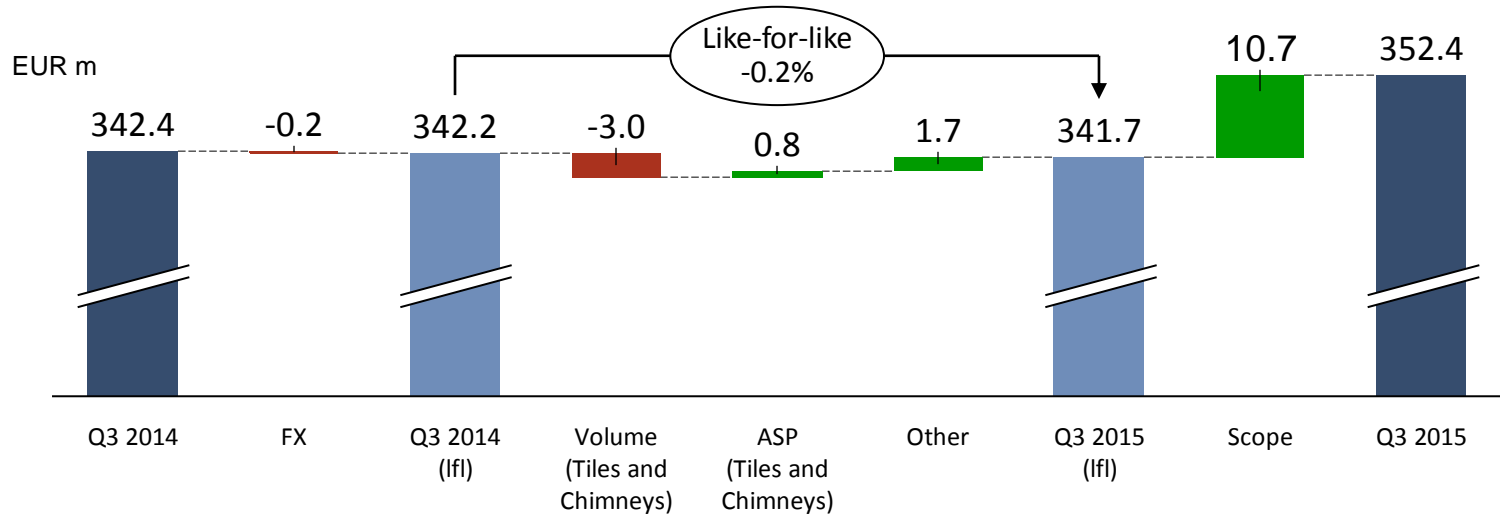


¹ incl. change in stock effect of EUR -2.3 million

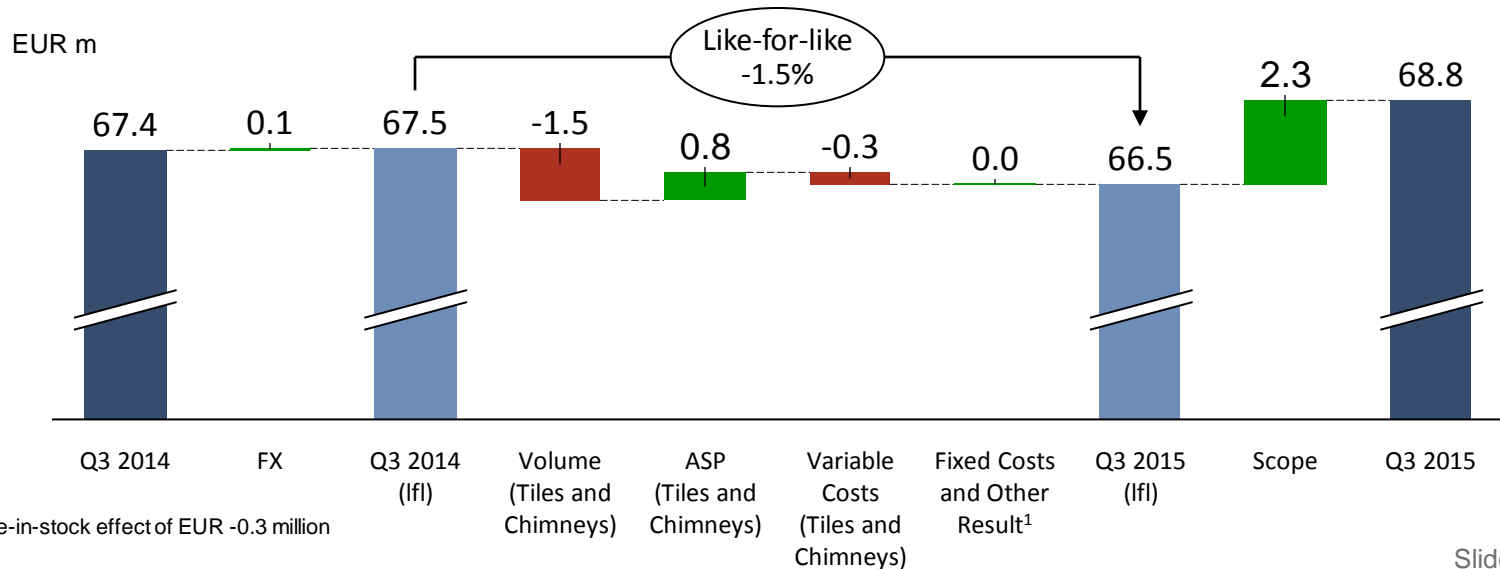
Revenue and Operating EBITDA development in Q3



Q3 Revenue bridge



Q3 Operating EBITDA bridge



¹ incl. Change-in-stock effect of EUR -0.3 million

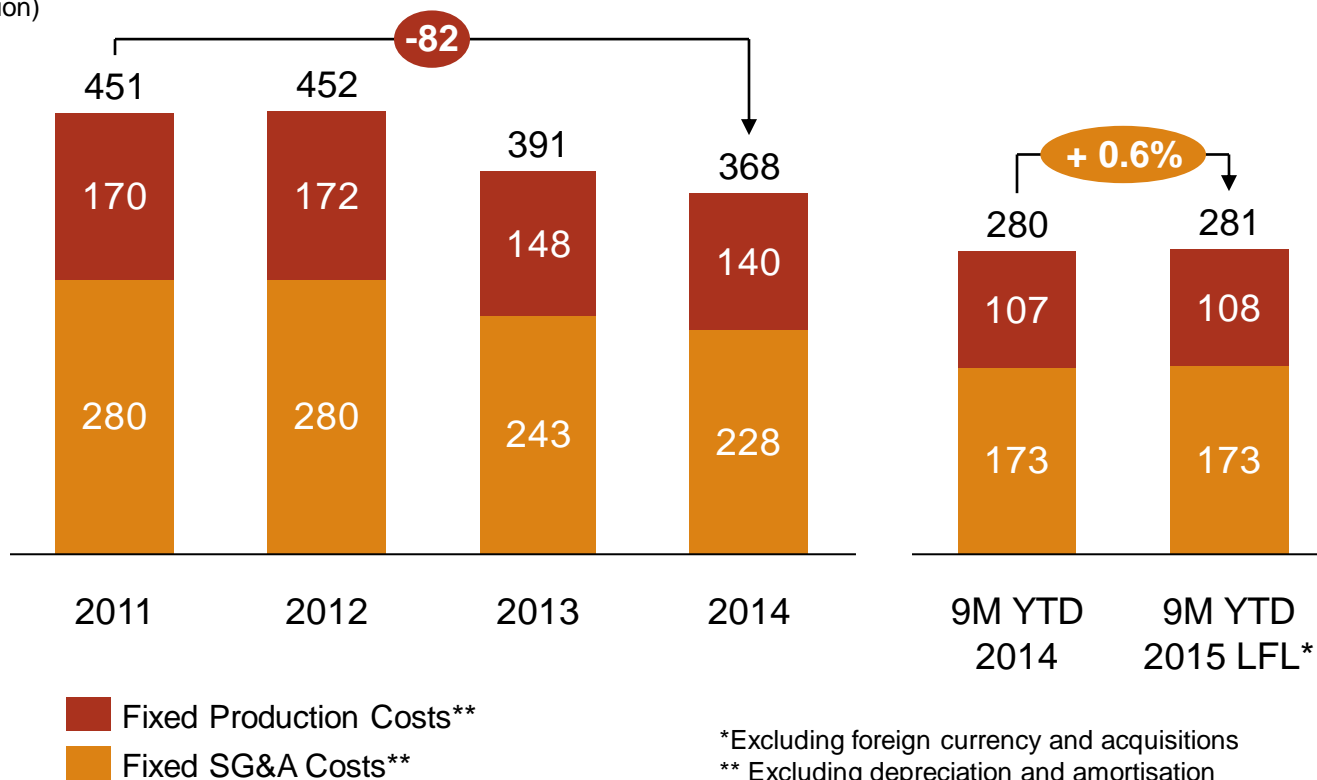
Energy Costs



- ▶ Energy costs primarily relate to the production of clay tiles (clay tiles 21.9% of revenues in 2014)
- ▶ Energy costs are approximately 4.3% of total sales, or 19.6% of clay tile revenues
- ▶ Gas and electricity managed with 3-year framework contracts according to a pre-defined risk management approach, focussed on reducing volatility
- ▶ For 2015 & 2016 we currently expect year-on-year energy price reductions of a low single-digit million EUR amount

Strict control of fixed costs maintained

(EUR million)



- ▶ Fixed costs reduced substantially through restructuring programme
- ▶ Culture of strict cost control preserves operating leverage for recovery

Balance sheet

Summary Group balance sheet

(EUR million)

	30 Sep 2015	31 Dec 2014
Assets		
Intangible assets	272.9	277.2
Property, plant and equipment	615.3	617.4
Financial assets	13.0	13.8
Fixed assets	901.2	908.5
Deferred tax assets	32.3	37.5
Receivables	196.8	134.0
Inventories	230.0	200.9
Cash and cash equivalents	133.9	180.9
Assets held for sale	1.0	2.1
Total assets	1,495.2	1,463.9
Equity and liabilities		
Total equity attributable to the shareholders	119.9	91.3
Non-controlling interests	1.5	1.6
Equity	121.4	92.9
Debt	511.4	513.5
Provisions	504.1	527.2
Deferred tax liabilities	11.2	8.7
Operating liabilities	347.2	321.6
Total liabilities	1,495.2	1,463.9

Cash flow

Summary consolidated cash flow statement

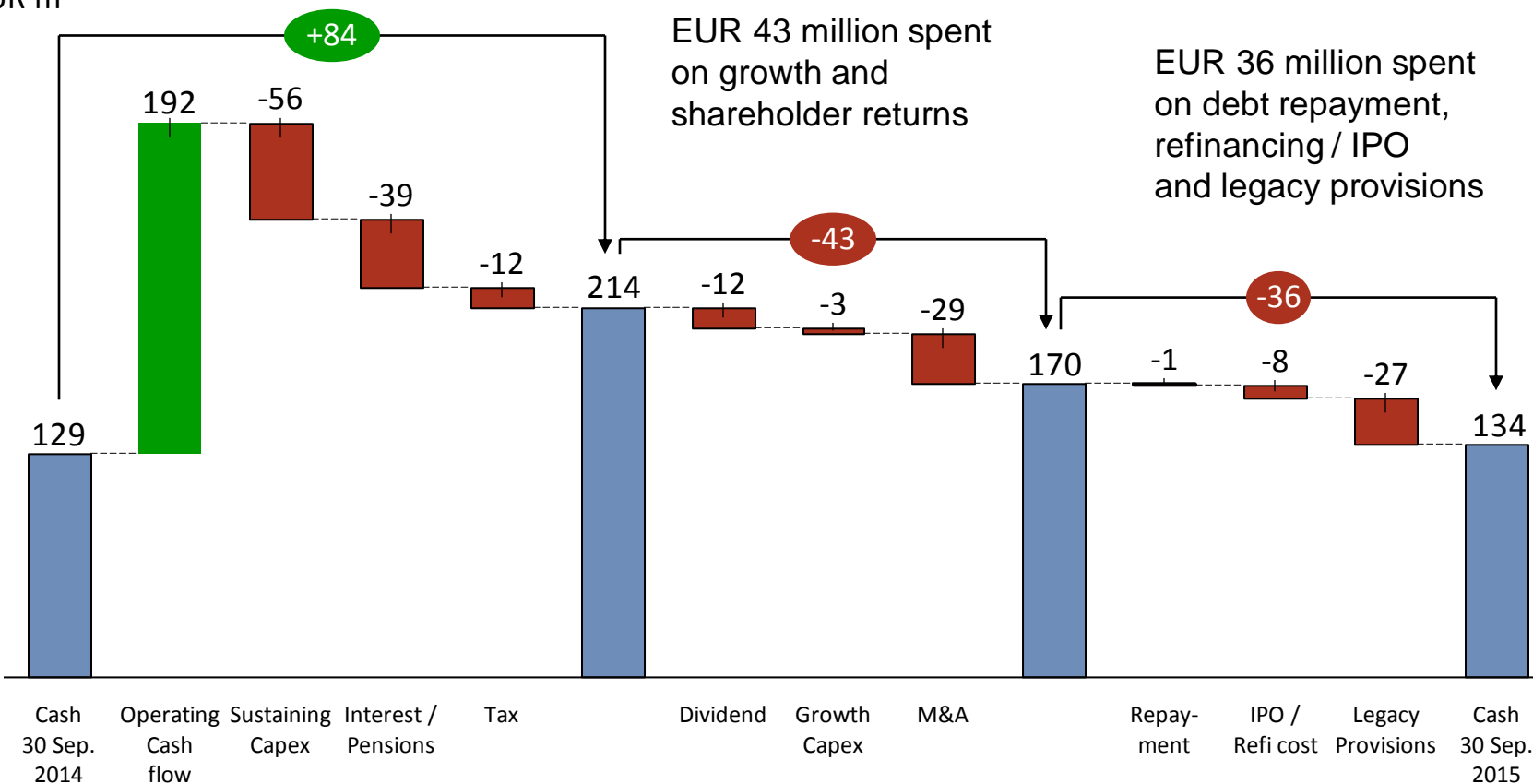
(EUR million)

	Q3 2015	Q3 2014	9M 2015	9M 2014
Cash flow	59.7	49.1	111.4	82.6
Change in provisions	-6.7	-9.0	-19.5	-32.1
Change in working capital	20.4	23.1	-63.9	-55.0
Change in inventories	14.8	12.8	-20.5	-29.9
Change in trade and other receivables	-8.1	-17.8	-59.5	-53.5
Change in trade and other payables	13.7	28.1	16.1	28.3
Net cash used in operating activities	73.4	63.2	27.9	-4.6
Total investments	-13.0	-13.6	-67.3	-31.7
Proceeds from fixed assets disposals	0.4	0.6	3.8	2.2
Net cash used in investing activities	-12.6	-13.0	-63.5	-29.5
Free cash flow	60.8	50.2	-35.6	-34.1
Net change in bond and loans	-10.4	-90.8	-0.2	-146.6
Proceeds from capital increases	0.0	-1.5	0.0	104.4
Dividends paid	0.0	0.0	-11.8	-2.6
Net cash from financing activities	-10.4	-92.4	-11.9	-44.8
Net change in cash and cash equivalents	50.4	-42.2	-47.5	-78.9
Effect of exchange rate fluctuations on cash and cash equivalents	-2.4	1.0	0.4	0.8
Change in cash and cash equivalents	48.0	-41.2	-47.1	-78.1

Strong operational LTM Cash Flow

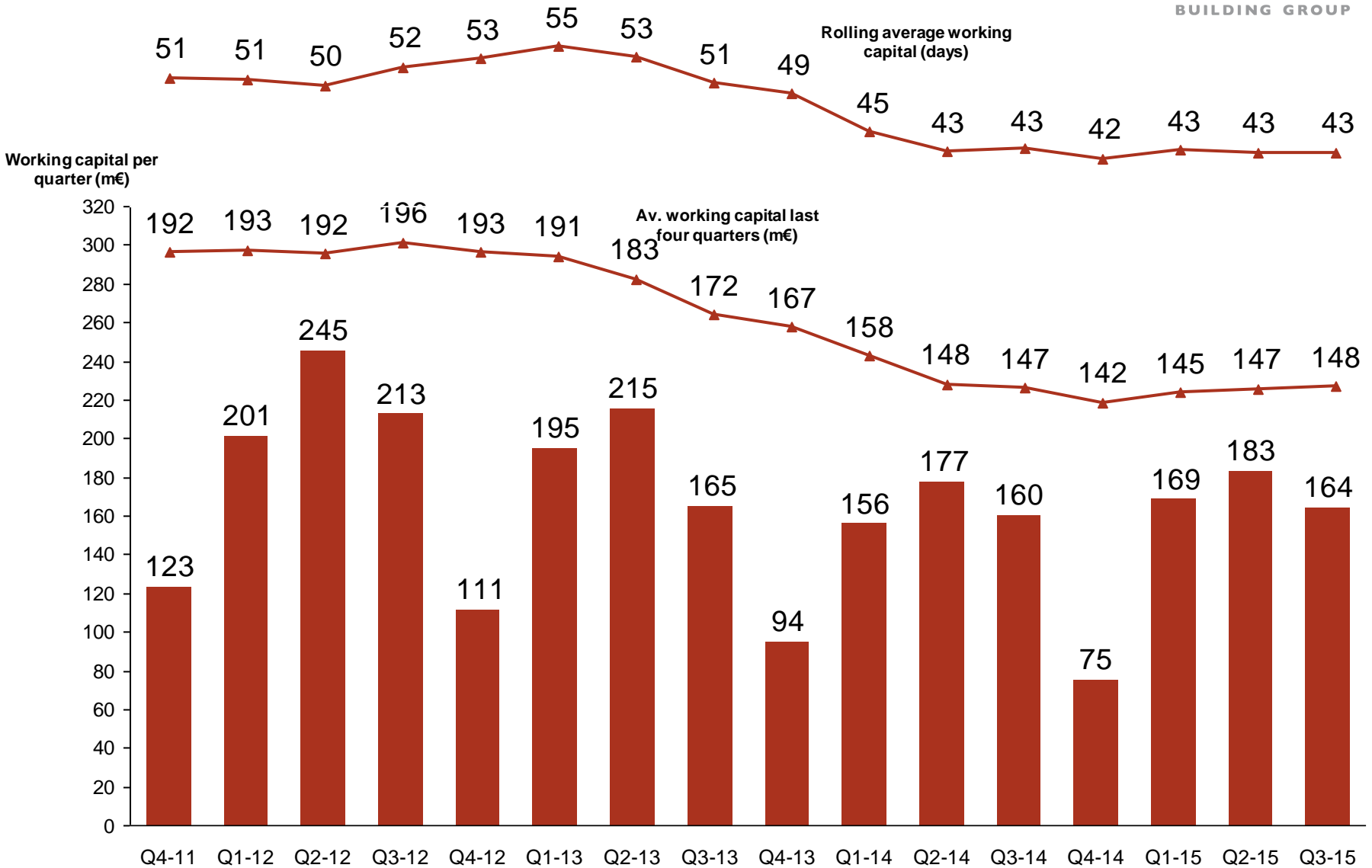
EUR 84 million generated from operating business

EUR m



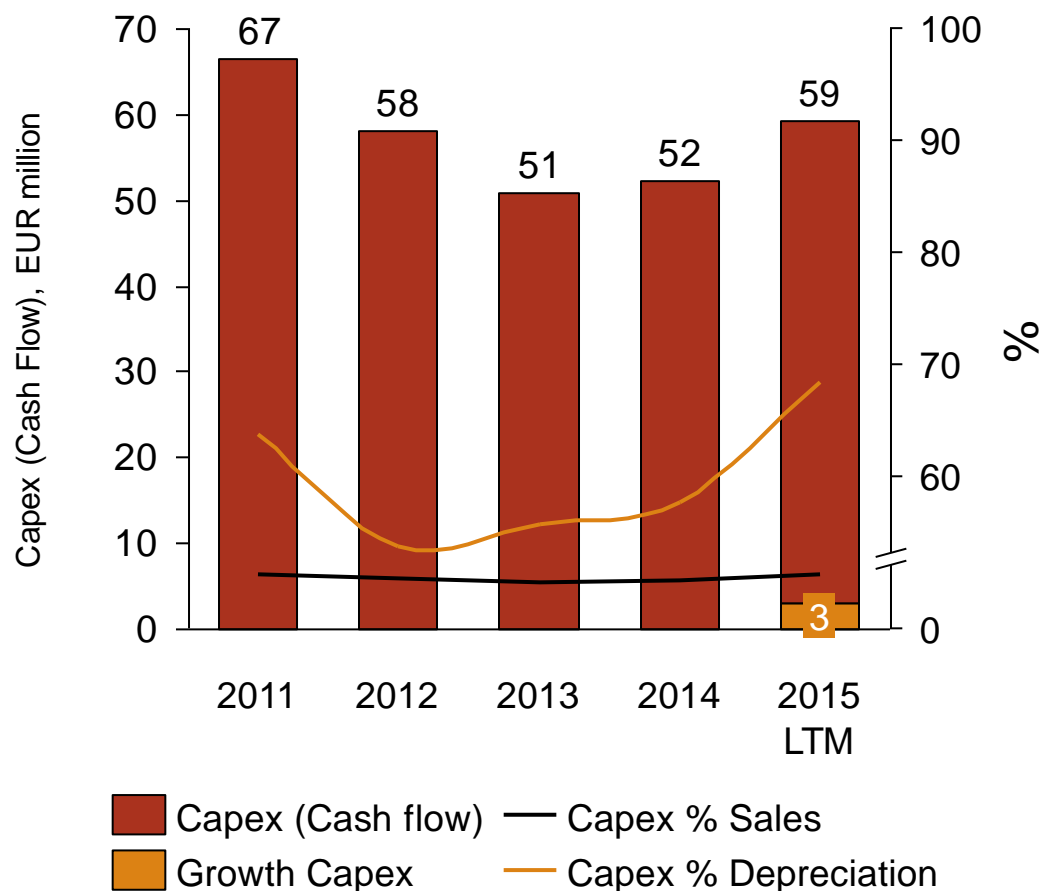
WORKING CAPITAL

Average working capital stabilised around 12% of LTM sales



CAPEX

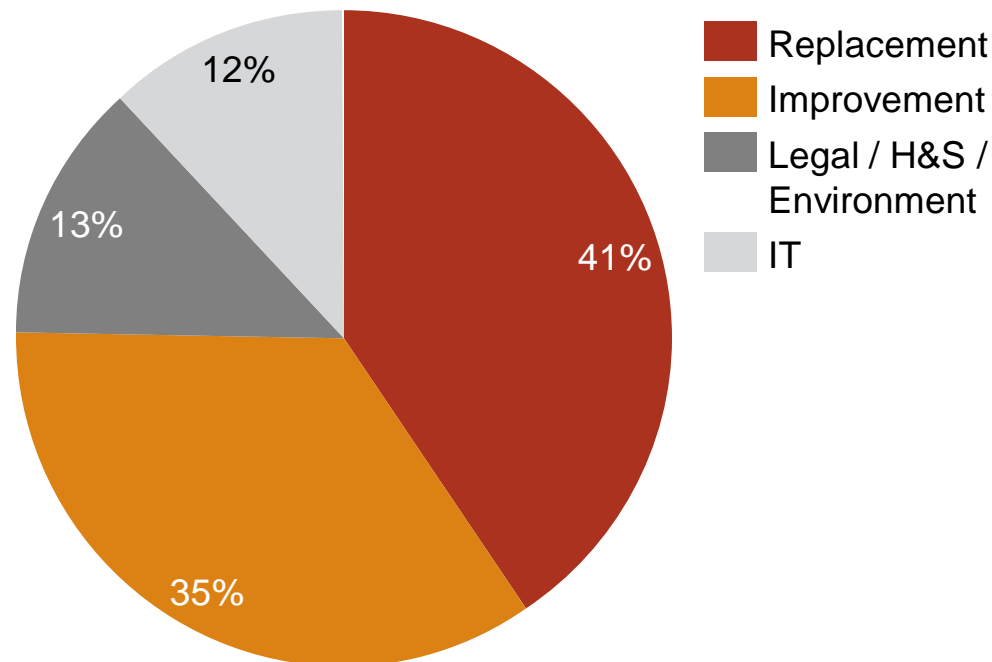
Capex Development



- ▶ 2015 full year target capex level includes EUR 60 m base sustaining capex + EUR 2 m for Cobert
- ▶ Additional rollover of EUR 5 m in 2015 from previous year due to timing of cash flows
- ▶ Maximum of EUR 65 m sustaining capex for 2016, including announced acquisitions
- ▶ Expected mid single-digit amount for growth projects

Sustaining capex breakdown

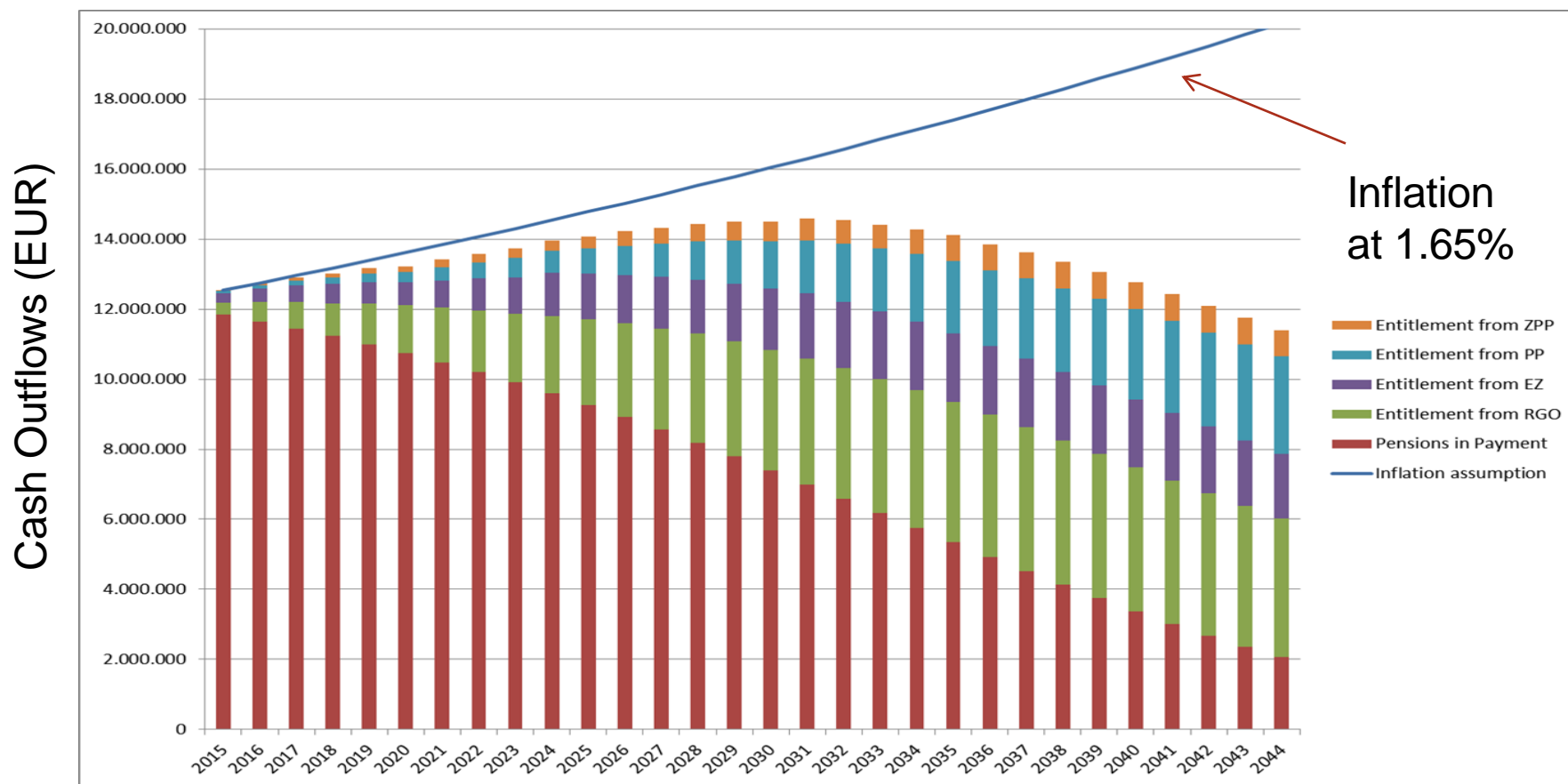
- ▶ Sustaining capex includes both straight replacement expenditure as well as improvement projects (industrial improvement measures such as increased automation, energy efficiency, new products)



PENSIONS

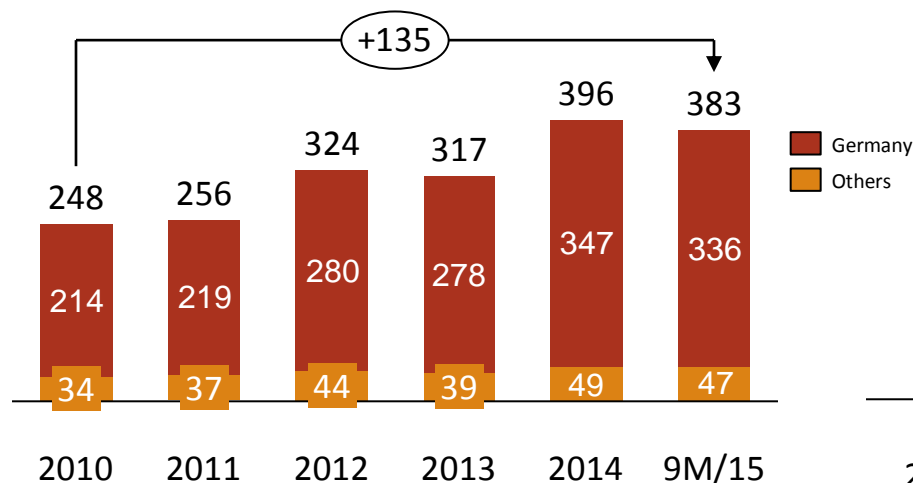
Pension outflows are perpetual and are expected to reduce

- ▶ All German defined benefit plans are closed to new entrants
- ▶ Cash outflows to increase at well below the rate of inflation until 2031 and then decrease (assumption: Salary increases 2.25%; Inflation 1.65%)

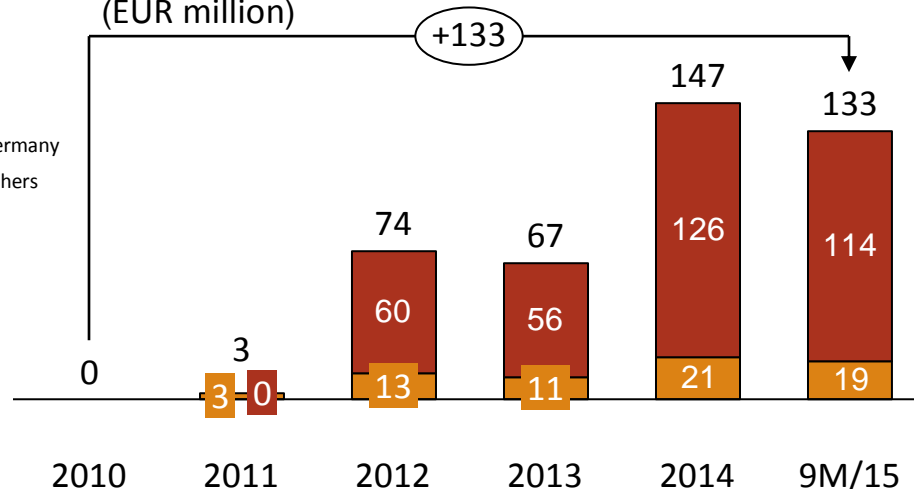


Pension liabilities

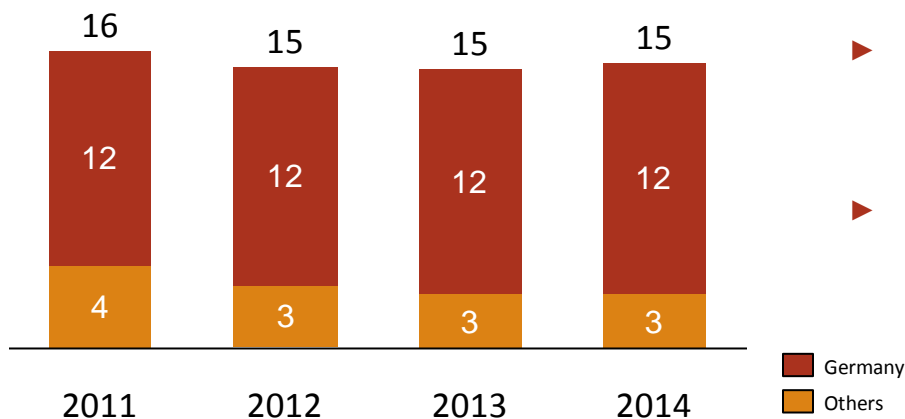
Net DBO
(EUR million)



**Increase due to financial assumptions
(discount rate)**
(EUR million)



Cash outs
(EUR million)

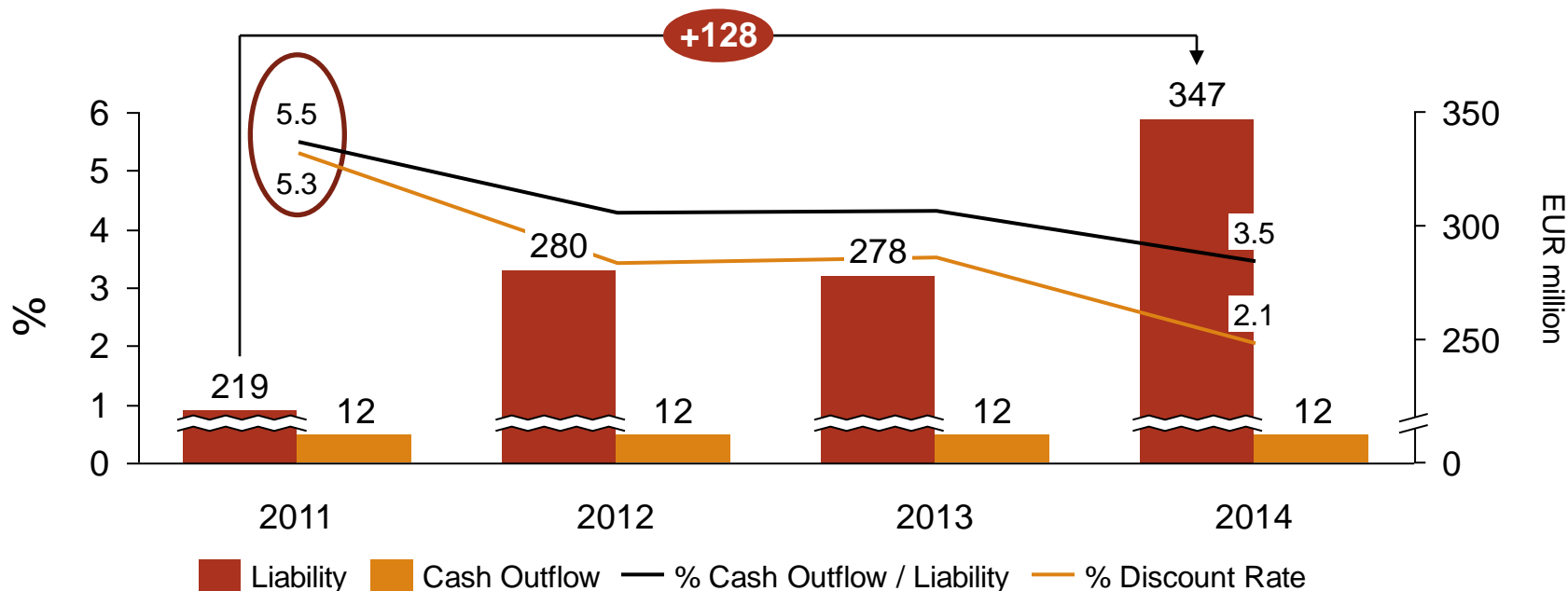


- ▶ The German pension schemes are **unfunded**. Pensioners are paid directly from Company's FCF
- ▶ Cash payments have been relatively stable at approx. EUR 15 million p.a. despite significant increases in the net liability of EUR 135 million
- ▶ Deferred Tax Asset position of EUR 47 million at 30 Sep 2015 to be considered as an offset to the liability

Changing balance sheet values leads to volatile impact despite perpetual nature of cash flows



Highly volatile impact: 0.7x EBITDA*, equal to 3.39€ per share**

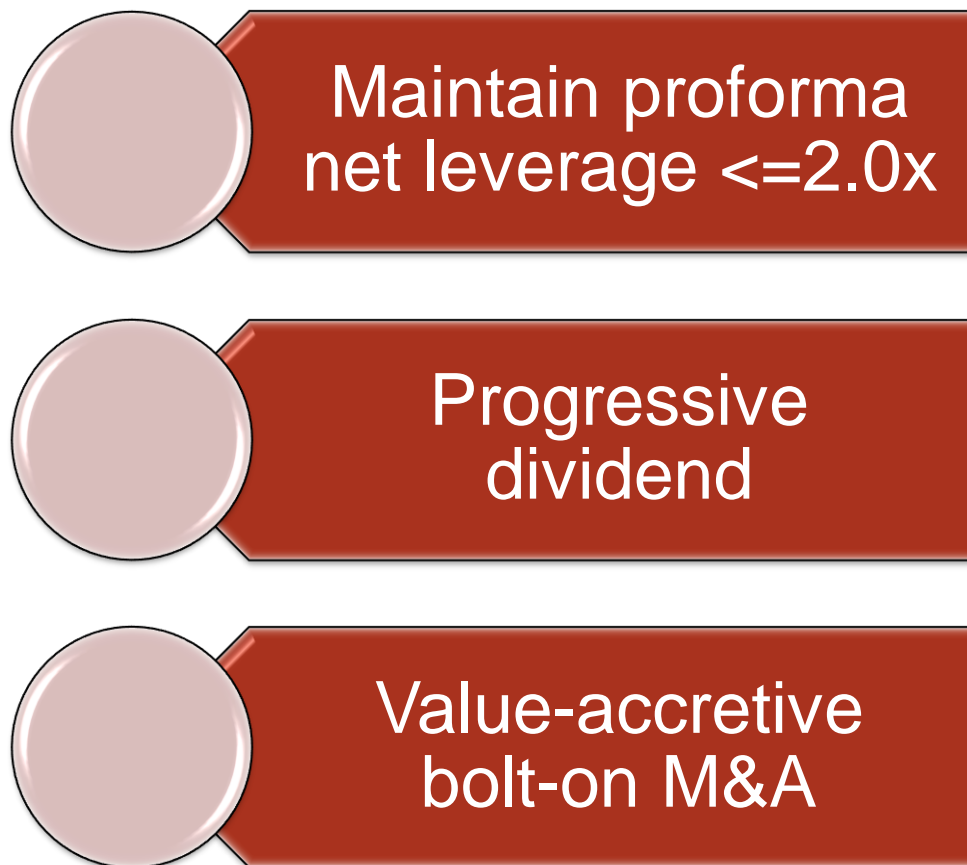


- ▶ Unlike many typical UK / US defined benefit schemes, funding is at the option of the Company. Payments to pensioners insured under German law
- ▶ **Funding unfavourable:** e.g. Funding EUR 347 m at 4.5%, invested in High Quality Corporate Bonds at 2.1% → Free cash flow would decline by EUR 8 m

*Based on 2014 EBITDA of EUR 195.4 m; ** EUR 128 m increase in net DBO divided by 39.2m shares

FINANCIAL POLICY

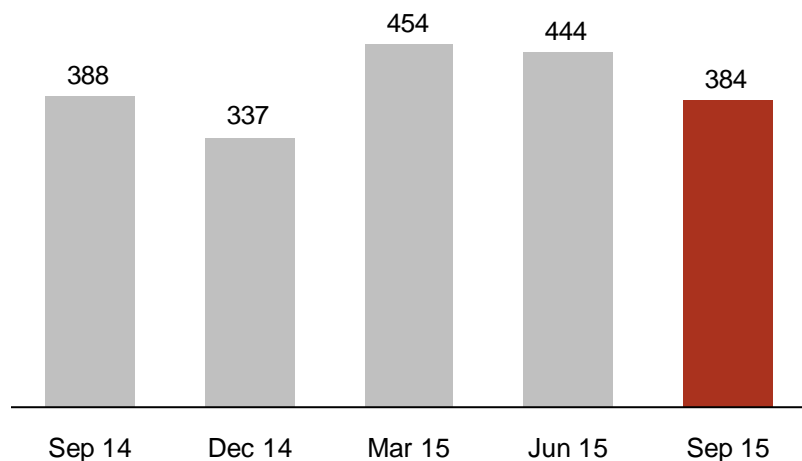
Financial Policy – disciplined M&A



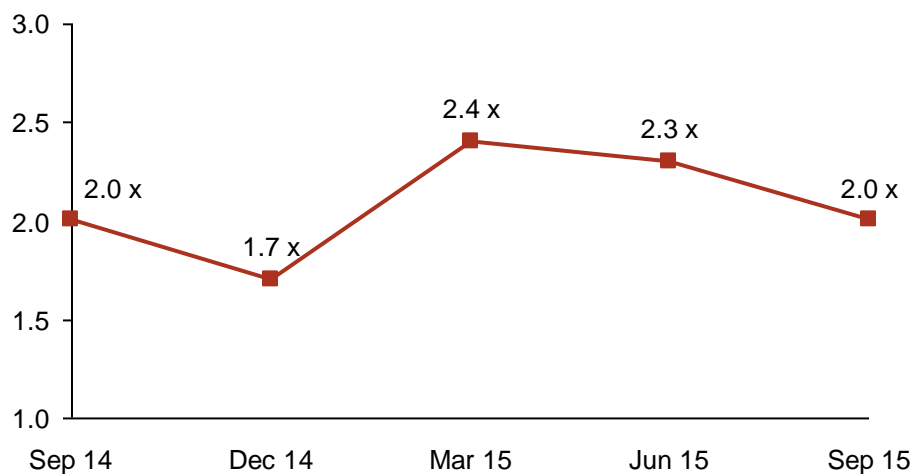
- ▶ Bolt-on M&A capacity subject to maintaining leverage ratio and liquidity
- ▶ Debt repayments if M&A pipeline < M&A capacity for a sustained period

Financial leverage reflects seasonal pattern

Net Debt (in EUR m)



Financial Leverage: Net Debt / EBITDA (LTM)



- ▶ Uninterrupted **improvement of Net Debt and Financial Leverage** after seasonal peak in March, expected to continue towards the end of the year
- ▶ Financial leverage kept on last year's level despite growth investments and major one-offs
- ▶ **Leverage target: staying at 2.0x or below, including potential acquisitions on a pro-forma basis**

Gross Debt:

- ▶ EUR 200 million Term Loan B
- ▶ EUR 315 Million Senior Secured Floating Rate Notes

Ratings:

- ▶ Moody's: B1 (stable)
- ▶ S&P: B+ (positive outlook)

Dividend Policy

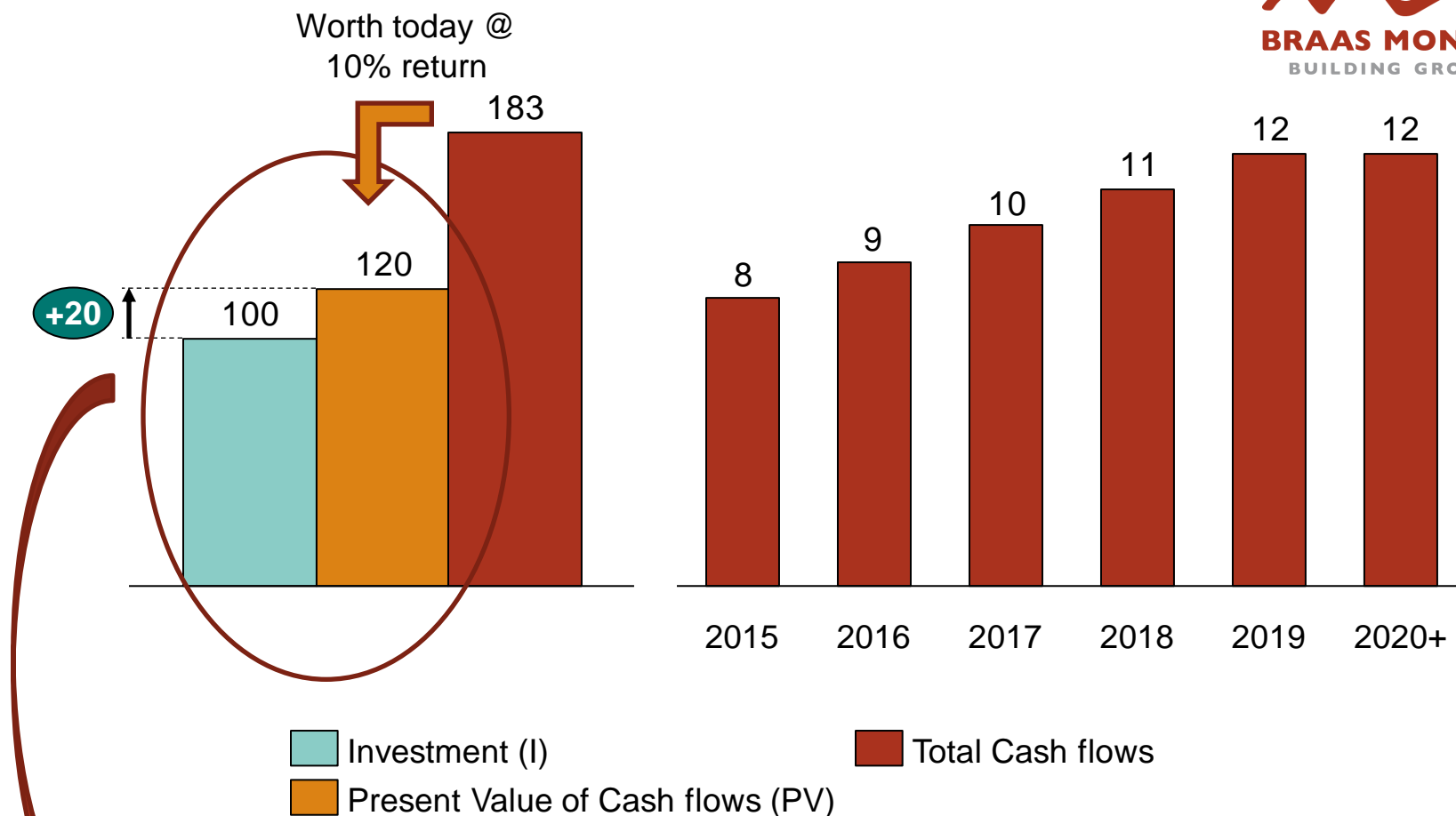
- ▶ Dividend to be paid if opening proforma net leverage $\leq 2.0x$ and closing proforma net leverage expected to remain $\leq 2.0x$
- ▶ Dividend payout ratio in the range 25% - 50% of net income
- ▶ Dividend payment 2014 of EUR 0.30 per share, a payout ratio of 29%

M&A Financial Evaluation

- ▶ Projects evaluated using DCF
 - ▶ Local WACC rates (IFRS)
 - ▶ Conservative assumptions around terminal value
 - ▶ Earnings - assessment of position in cycle; sustainability of synergies
 - ▶ Normalised capex and depreciation
 - ▶ Statutory tax rates
 - ▶ TV growth around inflation

- ▶ Several financial criteria evaluated
 - ▶ Profitability Index, PV/I hurdle rate > 1.20
 - ▶ Cash flow return on investment (post-tax) > Local WACC
 - ▶ EV / EBITDA multiples (LTM, 12 month forward & 3 year proforma) as a cross-check
 - ▶ Sensitivity analysis

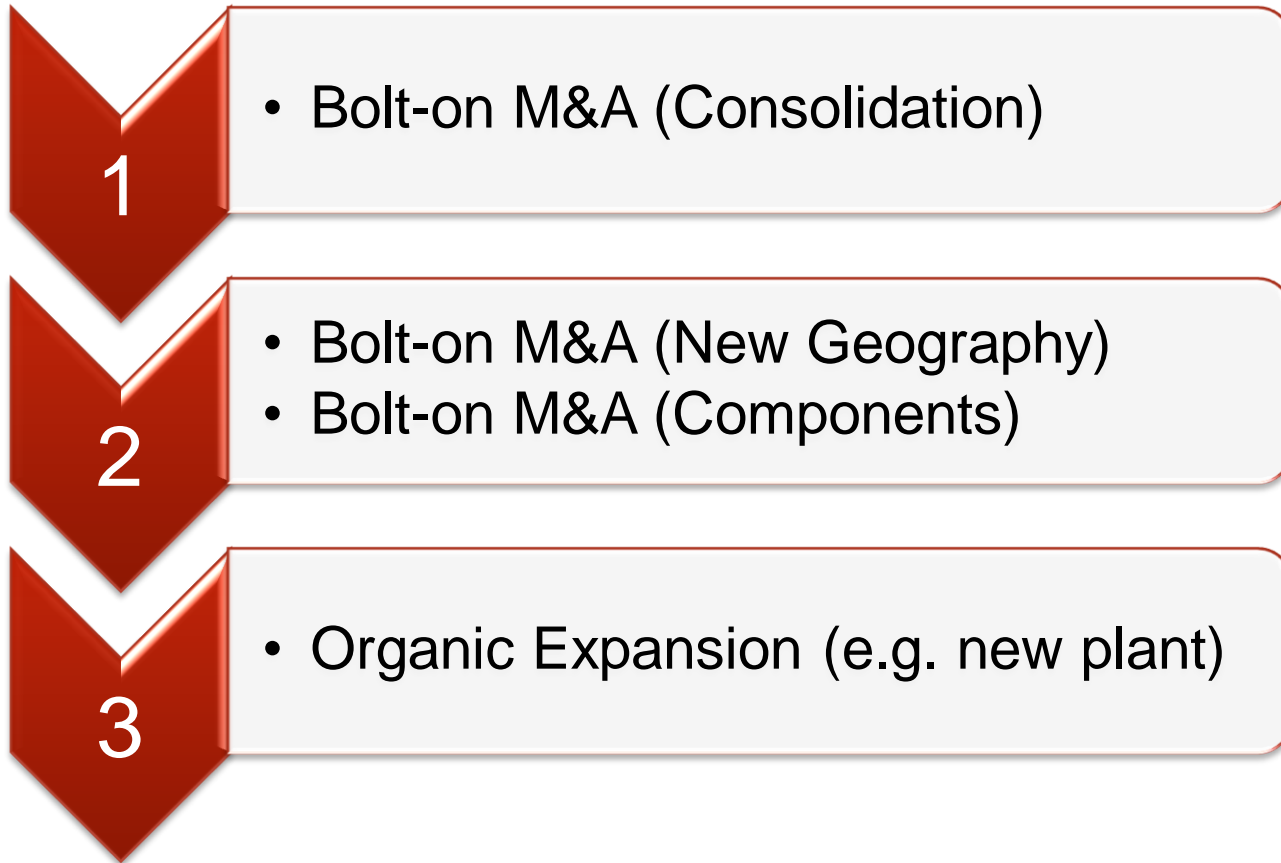
PV/I: EUR 100 invested at a WACC of 10%



$PV/I \geq 1.2$

In other words, for every EUR 100 invested, a minimum of EUR 20 added to equity value

Growth projects ranked by attractiveness



M&A Life Cycle and Operation - Goals

- Knowledge transfer / „Lessons learned“
 - Standardisation
 - Simplification
- } → Continuous Improvement



Active List

	Potent. Size (EV)	Product Group	Type of market	New Geo-graphy	Cyclical Market recovery	Synergies through..				Add. Options..	
						Cross-selling Tiles/ Comp.	Operat. improve.	Fixed cost reduct.	Conso- lidation	Export	Growth / Efficiency Invest-ments
Cobert	L	CL & CO	mature	✓	✓	✓	✗	✗	✗	✓	✓
GCI	M	CL	mature	✗	✗	✓	✓	✓	✓	✓	✓
Muto	S	CO	mature	✗	✓	✓	✗	✓	✓	✗	✗
Project A	L	Comp.	mature	✗	✓	✓	✗	✗	✓	✓	✓
Project B	L	CL	mature	✓	✓	✓	✓	✓	✓	✓	✓
Project C	M	CL	mature	✗	✓	✓	✗	✗	✓	✓	✗
Project D	M	CL	mature	✗	✓	✓	✗	✗	✓	✗	✓
Project E	S	CO	emerging	✗	✓	✓	✓	✓	✓	✗	✓
Project F	M	Chimn.	mature	✗	✓	✗	✗	✓	✓	✗	✗
Project G	S	CO	mature	✗	✓	✓	✗	✓	✓	✗	✗
Project H	S	CO	mature	✗	✓	✓	✗	✗	✓	✗	✗
Project I	M	CL	mature	✗	✓	✓	✗	✗	✓	✓	✗

FINANCING

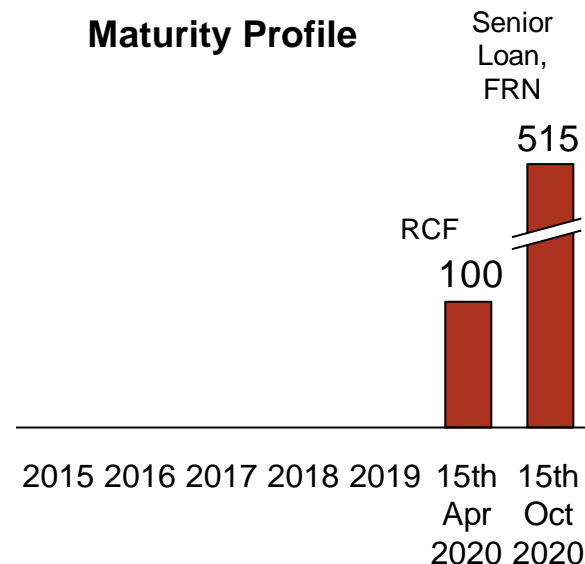
Currently financed through to 2020



EUR 200 m Senior Loan – Margin Grid

Leverage Ratio Net debt / EBITDA (LTM)	Term Loan B Margin in bps	Revolving Credit Facility Margin in bps
Greater than 3.00 x	450	400
Greater than 2.50x but less than 3.00x	425	375
Greater than 2.00x but less than 2.50x	400	350
Equal to or less than 2.00x	400	325

Maturity Profile



- ▶ EUR 315 m FRN with margin of 500bps; EURIBOR hedged at 73bps to 2020
- ▶ Senior Loan Annualised Margin grid results in savings of approx. EUR 1 m
- ▶ Annualised pure cash interest cost of EUR 26 m*; Fees & other cash costs EUR 2 m
- ▶ Additional annualised non-cash effect from amortisation of refinancing fees EUR 3 m
- ▶ Significant covenant headroom
- ▶ Senior secured structure with guarantors covering 75% of Gross Assets** and EBITDA***

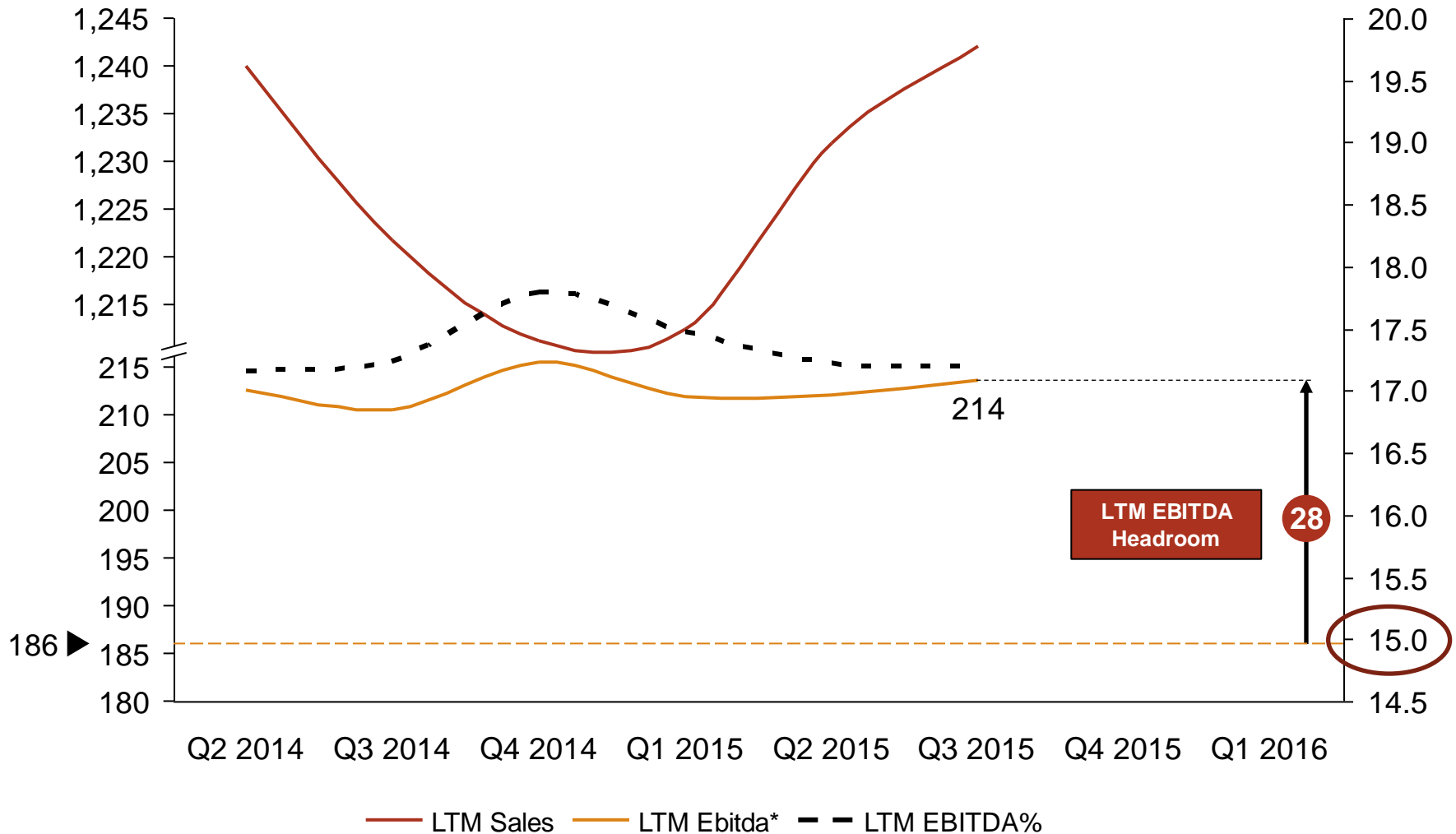
*assuming 3m EURIBOR of -0.07% at 09 November 2015

at year end *on a full year basis

Ratings

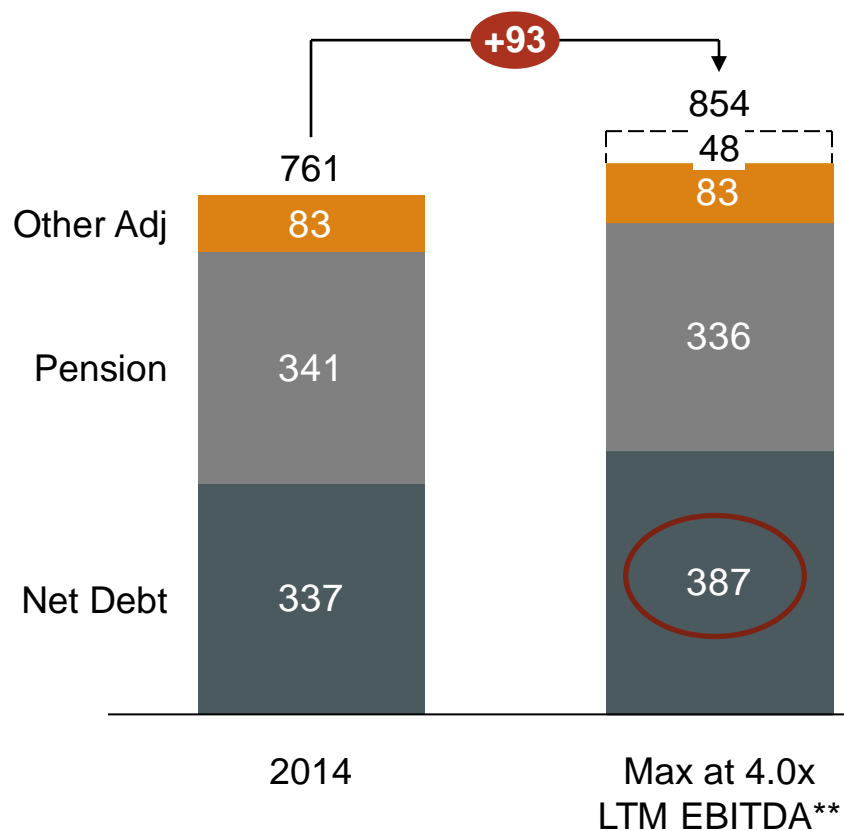
	Moody's	S&P
Long-term issuer default rating / corporate family rating / corporate credit rating	B1	B+
Outlook	Stable	Positive
Debt instrument ratings		
EUR 315 m Floating Rate Notes	Ba3	B+
EUR 200 m Term Loan B	Ba3	B+
EUR 100 m Revolving Credit Facility	Ba3	B+

S&P requires EBITDA margins sustainably above 15% as on criteria for an upgrade



* Assumes constant operating lease adjustment of EUR 20 m

Financial Policy allows bolt-on M&A and keeping a 3x – 4x proforma net leverage level including pensions



- ▶ $\leq 2.0x$ proforma net leverage translates into $\leq 4.0x$ proforma leverage incl. Pensions / Other adjustments
- ▶ 3x – 4x leverage equivalent to a rating in BB area under S&P criteria
- ▶ Expected 2015 net debt level allows for at least EUR 50 m base M&A capacity available + additional capacity through future free cash flow generation

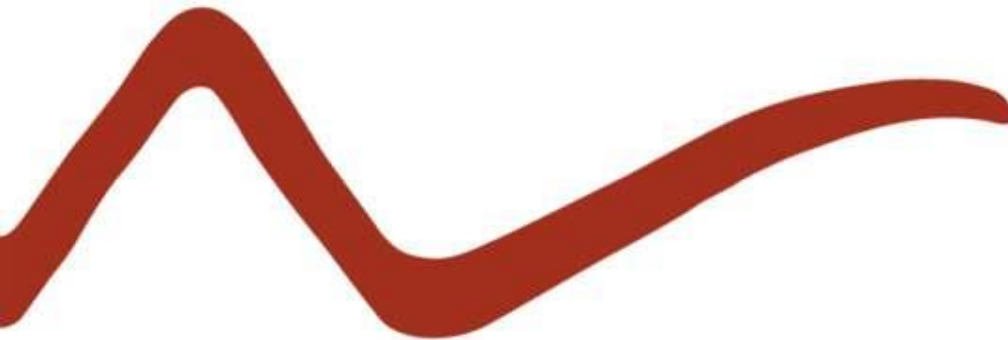
2.0x LTM EBITDA*

Potential Refinancing options

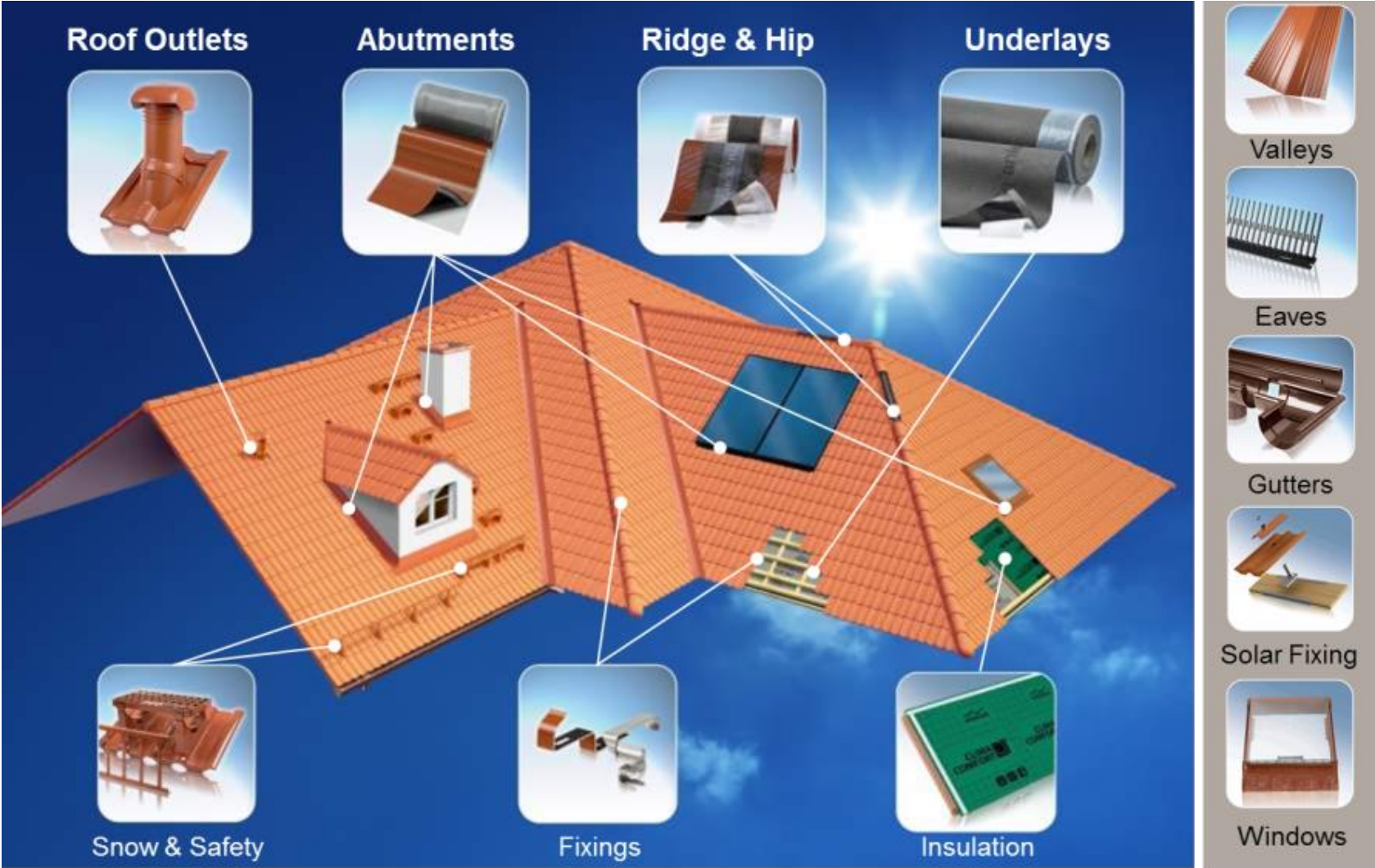
- ▶ Senior Term Loan / RCF
 - ▶ Loan documentation currently more LBO style / less Corporate style
 - ▶ Possibilities to improve pricing (if BB Rating) by moving to core bank financing
 - ▶ Possibilities to improve flexibility and optimise level of security coverage
- ▶ FRN
 - ▶ Contains a 101 call premium, expiring in April 2016
 - ▶ Possibilities to replace with alternative capital market instruments at a lower cash cost subject to market conditions (if BB Rating)
- ▶ Refinancing possible in H1 2016 if rating upgrade achieved and subject to favourable capital market conditions
- ▶ Refinancing would trigger one time effect for refinancing costs as well as write-off of existing capitalised fees (30 Sep 15: EUR 16 m)
- ▶ Every 100bps saving equivalent to EUR 5 m additional free cash flow

COMPONENTS – RIDGE & HIP / ABUTMENTS
AXEL RUMP





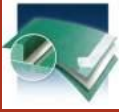













- 1** Organization, Markets & Priorities
- 2 Products & Applications
- 3 Production & Technologies



Components make tiles become a roof



Competition and market characteristic differ from Product Line to Product Line

	Abutments 	Ridge & Hip 	Roof Outlets 	S&S / Fixings 	Underlays 	Insulation 
Revenue share						
CM	high	high	medium / high	medium	low	low
Market characteristics	<ul style="list-style-type: none"> • Monier market leader in industrial applications • High share of handcraft solutions • Few industrial players • Monier with high-margin blockbuster products 	<ul style="list-style-type: none"> • Monier clear market leader • Handcraft solution mostly replaced by Industrial products • Increased competition in recent years 	<ul style="list-style-type: none"> • High entry barriers • Competition mostly on local level • High margin business 	<ul style="list-style-type: none"> • Growing market (legislation) • Very specific country norms • Competition mostly on local level • Monier with large share of traded goods 	<ul style="list-style-type: none"> • High volume business with lower margins • Strong international competition • Trend towards more durable underlays (coated or monolithic films) • Trend towards insulation may impact Route-to-market 	<ul style="list-style-type: none"> • Growing market • Low relative margins but high value per roof • MRC only trader
Top competitors include	<ul style="list-style-type: none"> • Ubbink, NL • Isoltema, IT • Mage, DE 	<ul style="list-style-type: none"> • Mage, DE • Dörken, DE • MDM, PL • Local producers in EE 	<ul style="list-style-type: none"> • Ubbink, NL • Fleck, DE • JAPlast, DK 	<ul style="list-style-type: none"> • Lehmann, DE • Lobas, NO • Ekochron, PL • F.O.S., DE 	<ul style="list-style-type: none"> • Juta, CZ • Dörken, DE • MDM, PL 	<ul style="list-style-type: none"> • Puren, DE • Linzmeier, DE • Bauder, DE • Bachl, DE
Relative competitive position						

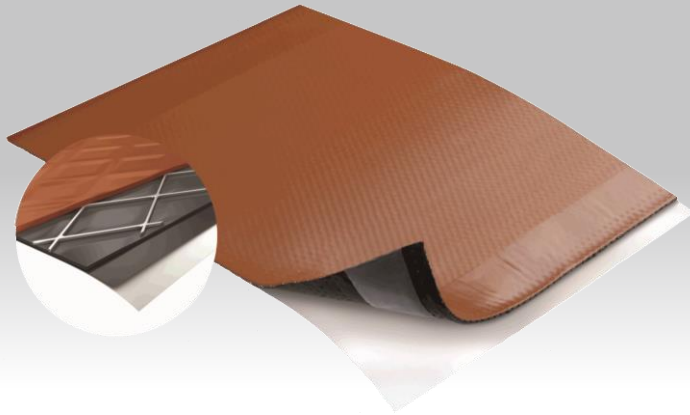
- 1 Organization, Markets & Priorities
- 2 Products & Applications**
- 3 Production & Technologies



We offer high-quality ABUTMENT products for perfect roof sealing



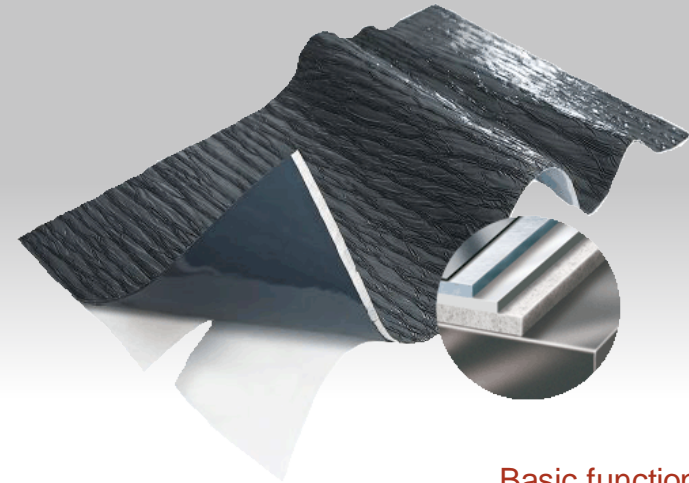
WAKAFLEX



Basic functions

- Unique product composition with self-welding effect
- Extreme durability
- Light weight easy-to-use roll for perfect roof sealing – applicable on walls and chimneys
- Stretchable both lengthwise and crosswise
- Available in all best selling roof colours which blend in perfectly

EASY FLASH



Basic functions

- Unique product: Alu-pet foil composition for high durability and shiny metal-look
- Innovative Alu-Crep technique with high stretch factor for simple shaping and moulding
- Light weight easy-to-use roll
- Available in main sold roof colours



We offer the right RIDGE & HIP product for every market segment in the best selling roof colors

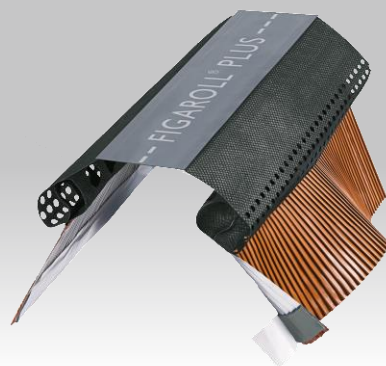
METALROLL®



Basic functions

- Premium quality & solidity
- Top roof ventilation & sealing
- Suitable also for low pitch
- Variable in widths for optimal coverage of even higher profiled tiles

FIGAROLL® PLUS



Basic functions

- Aluminium Sidestrip
- Ultimate protection
- Innovative ventilation technology
- Perfect roof sealing
- Variable in widths for optimal coverage of even higher profiled tiles

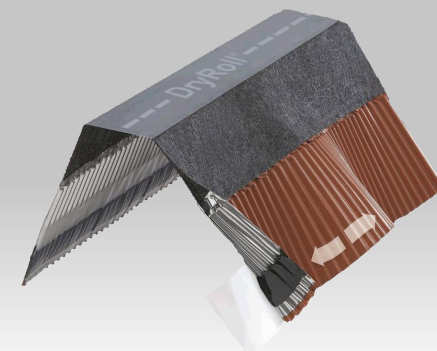
FIGAROLL®



Basic functions

- Unique Fleece Sidestrip
- Ultimate protection
- Innovative ventilation technology
- Perfect roof sealing
- Variable in widths for optimal coverage of even higher profiled tiles

DRYROLL



Basic functions

- Solid quality product for low to medium profiled tiles
- Good ventilation performance

We designed with WrapTec a new solution to seal technical insulation



Typical HVAC installation



Community heating sealed with WrapTec



House boot water supply sealed with WrapTec

WrapTec Summary

- Denmark
 - Cooperation with Öland (St. Gobain group) and Sabetoflex
 - WrapTec successfully launched in Q1/2015 with more than 10,000 m² sold to different projects
- UK
 - WrapTec just launched in Q4/2015 after fair in Birmingham
 - A good number of projects secured after the fair with different contractors (biggest project with 1,000 m² in London)
 - Nationwide distribution guaranteed through BNT and IIDA group
- US
 - Market entry scheduled for Q2/2016
 - Visit to the IEX show in Chicago to get a good market understanding.
 - Meetings conducted with all major distributors across the USA, such as General, Bay Insulation, Johns Manville, SPI, Distribution International

WrapTec Summary

- Germany
 - Multiple WrapTec projects completed with contractors and received positive feedback all over (Kermann Isolierungen, Schäfner Isolierungen and many more)
 - Marketing activities will start in Q1/2016 and will include recruitment of sales reps, exhibiting at IEX Show Cologne, advertising in magazines, road shows
- BeNeLux
 - Cooperation with SIG in discussion for a launch in Q1/2016
- Investments
 - New winder and automation of the packaging for the existing Wakaflex line

- 1 Organization, Markets & Priorities
- 2 Products & Applications
- 3 Production & Technologies**

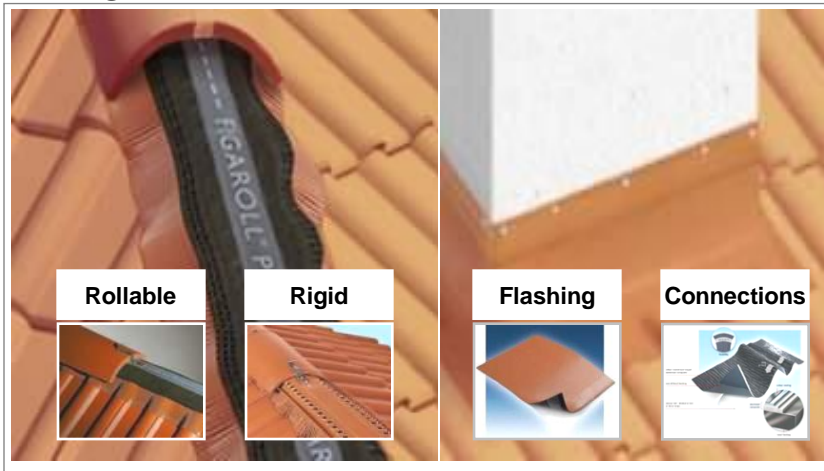


Plant Overview

Plant Berlin is part of the Business Segment Abutments & R/H
In Ennepetal R/H products for Klöber are produced

Ridge / Hip

Abutments



Plant Berlin



Plant Ennepetal

Plant Berlin: Historie

- 
- 1981 Braas joint in the „Berliner Folien Fertigung“
- 1998 Launch of „Wakaflex 2“
- 2001 Launch of „Compactroll“ und „Metallroll“
- 2008 Launch of FGR Plus
- 2012 Insourcing Easyflash production
- 2013 Construction of a flexible R&H line, launch of Figaroll2 and Rollfix Premium
- 2015 Launch of WrapTec

Safety Rules for Visitors

- 

1 Betriebsfremde Personen dürfen sich nicht ohne Begleitung auf dem Werksgelände und in den Produktionsbereichen aufhalten.
Follow the instructions of your guide. Do not stay far from the group.
- 

2 Nur die kenntlich gemachten Fußwege und Flächen benutzen.
Only move on marked paths and spaces.
- 

3 Den Sicherheitsabstand zu Maschinen und Anlagen einhalten.
Keep safety distance to machines and technical installations.
- 

4 Nicht unter schwebende Lasten treten.
Don't enter or move under floating loads.
- 

5 Den Staplerverkehr beachten.
Pay attention to the forklift traffic.
- 

6 Im gesamten Werk besteht ein Rauch- und Alkoholverbot.
Smoking and alcohol prohibited.
- 

7 Im Produktionsbereich keine Krawatten, Schals und Halstücher tragen.
Take off ties, scarves and shawls.
- 

8 Im Brandfalle (Sirene) sofort das Gebäude verlassen und am Sammelpunkt einfinden.
In case of fire (siren) leave the building immediately and go to the staging area.
- 

9 Das Fotografieren auf dem gesamten Werksgelände ist nur mit der Genehmigung der Werkleitung erlaubt.
No photographing without prior authorisation by plant management.
- 

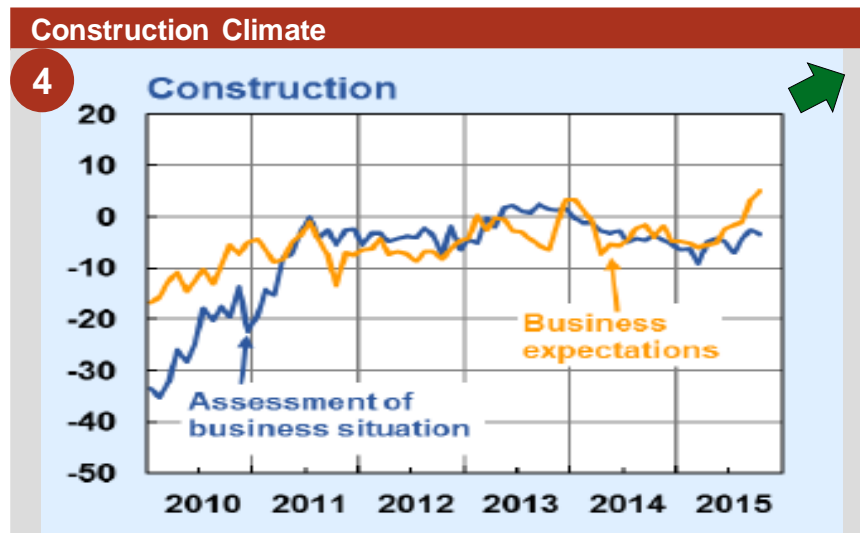
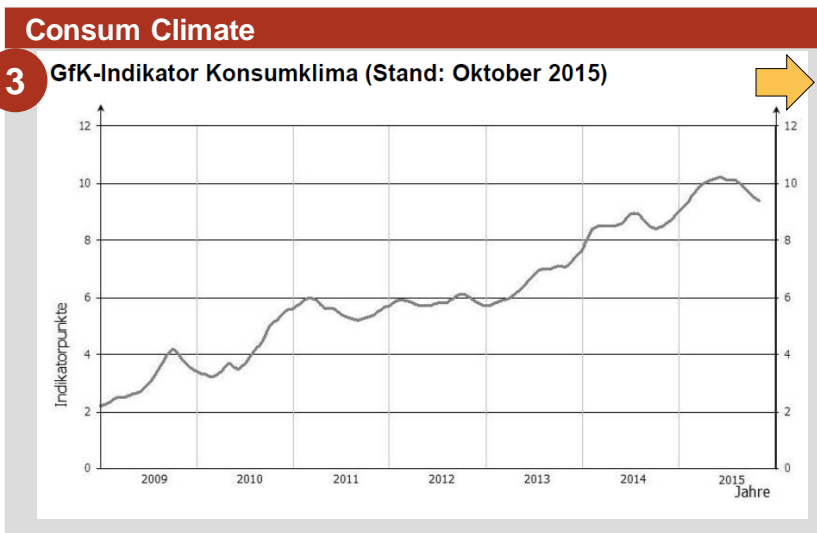
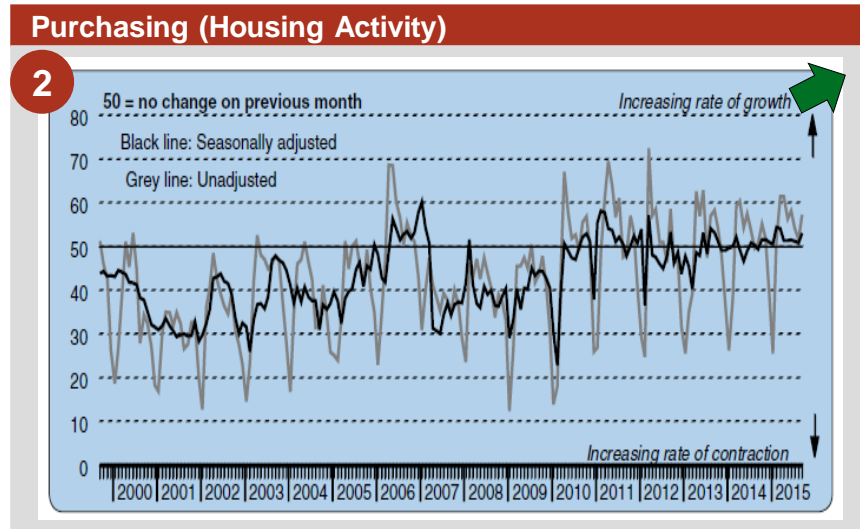
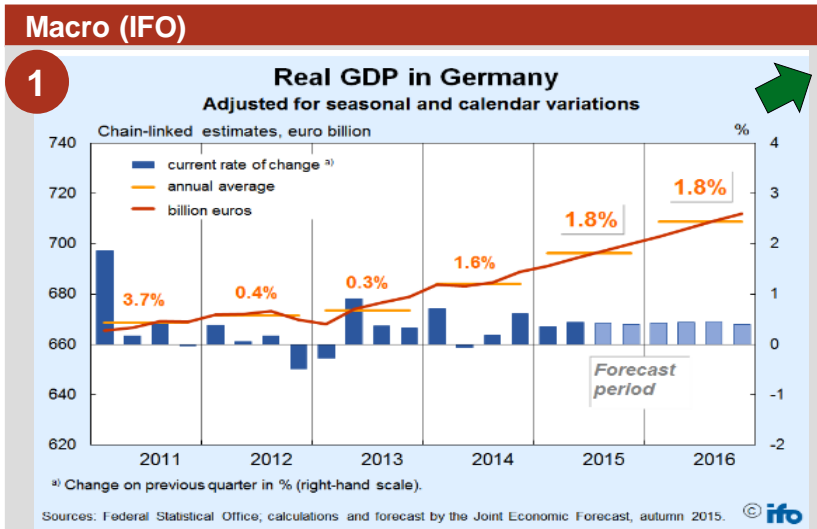
10 Auf dem gesamten Werksgelände ist das Tragen einer Sicherheits-Warmweste erforderlich, welche gestellt wird.
On the total site it is necessary to wear a safety vest, which is provided.

OUTLOOK –
PEPYN DINANDT



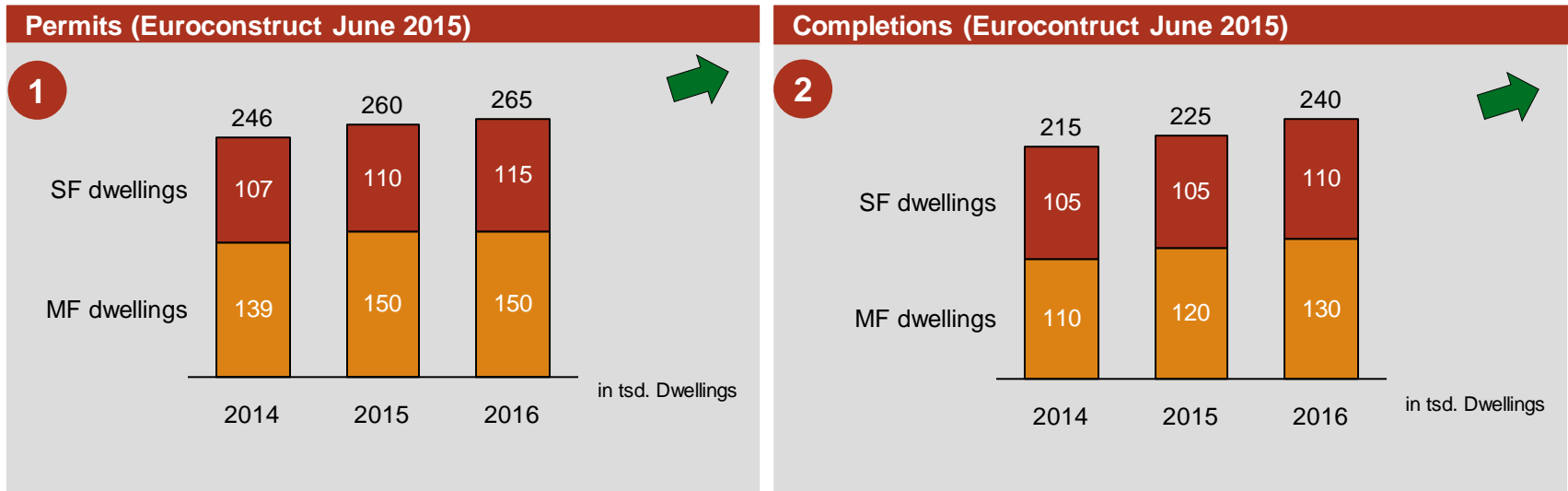
Discussion by country

Marco Economic: Indicators positive

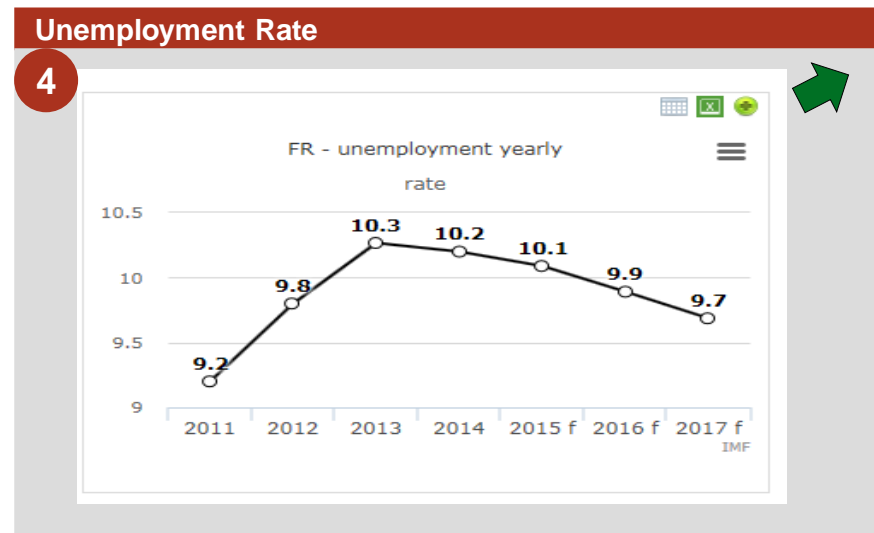
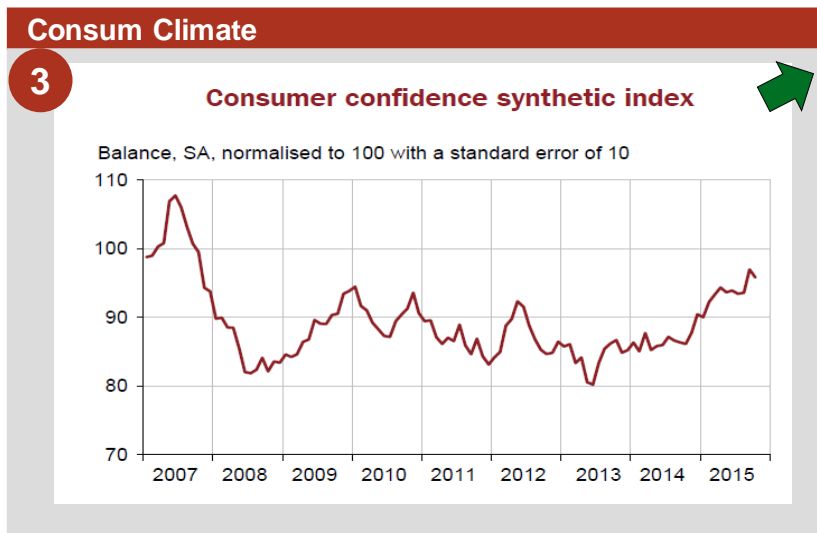
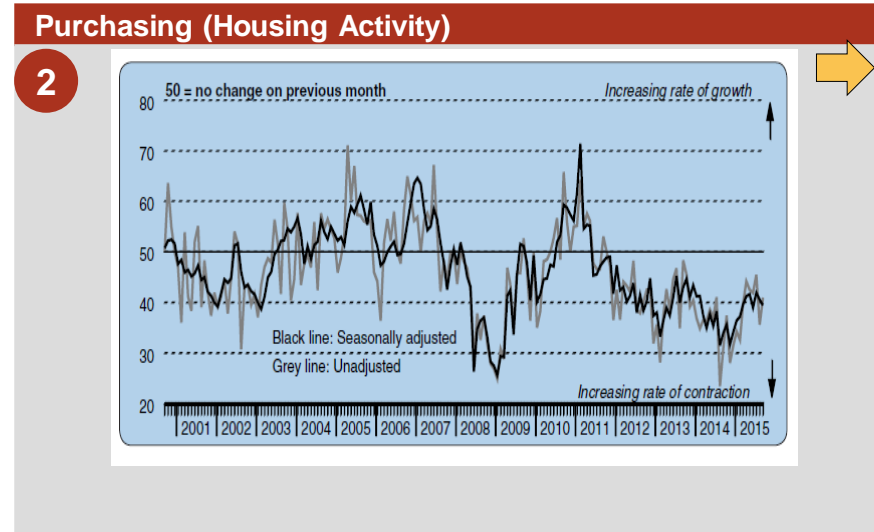
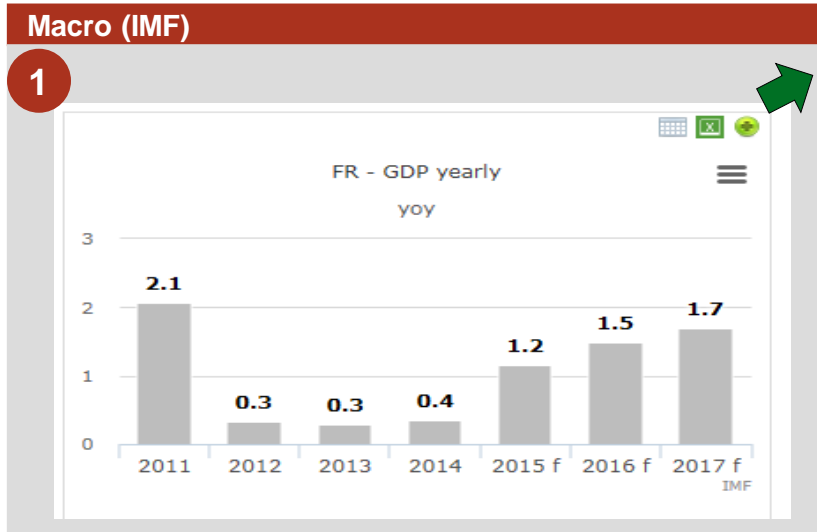


Discussion by country

Permits, Completions Eurocontract June 2015



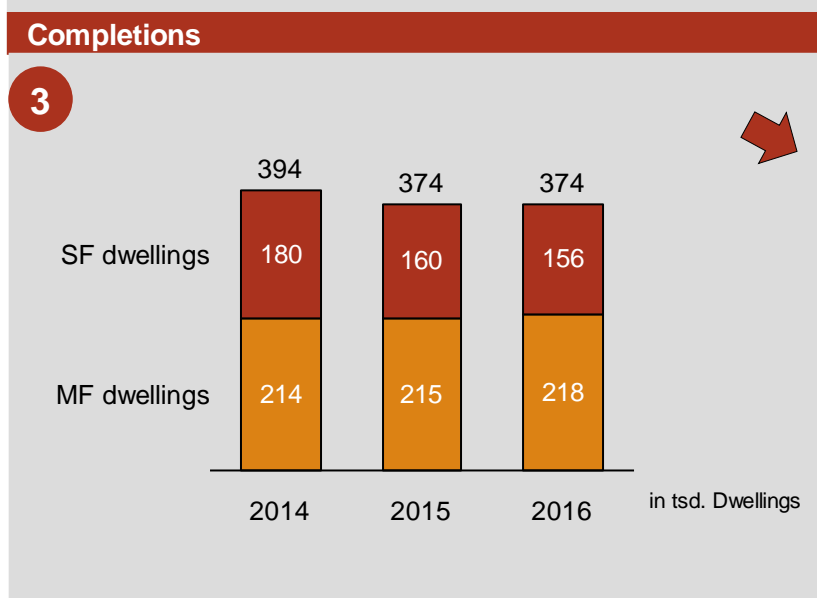
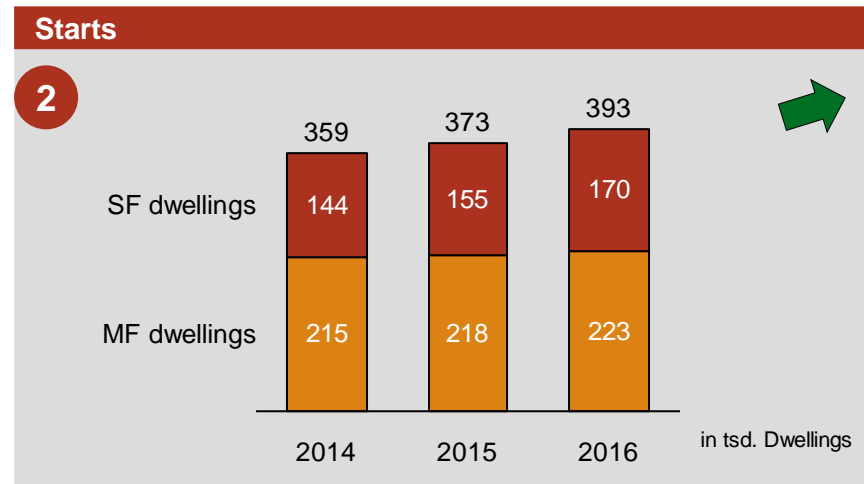
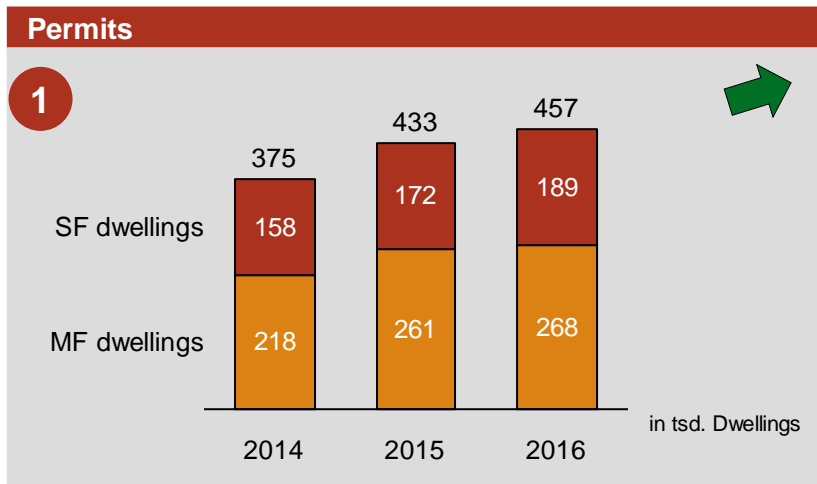
Marco Economic: GDP & Consumer confidence increase





Discussion by country

Permits, Starts, Completions Eurocontract June 2015

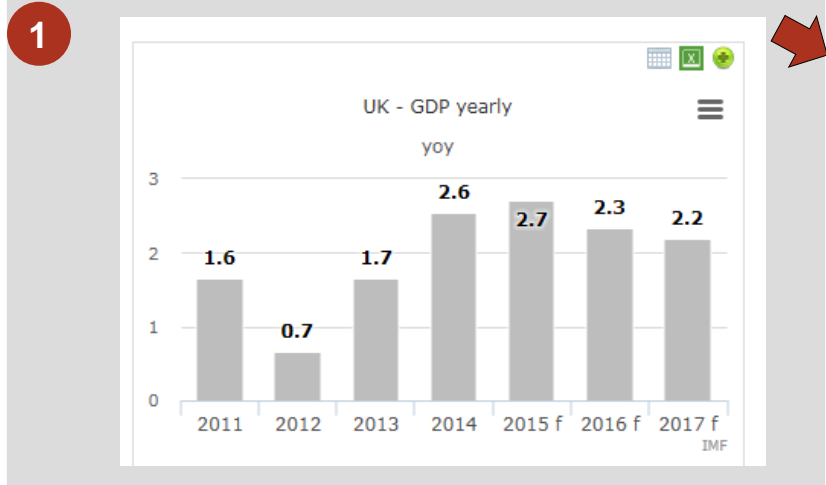




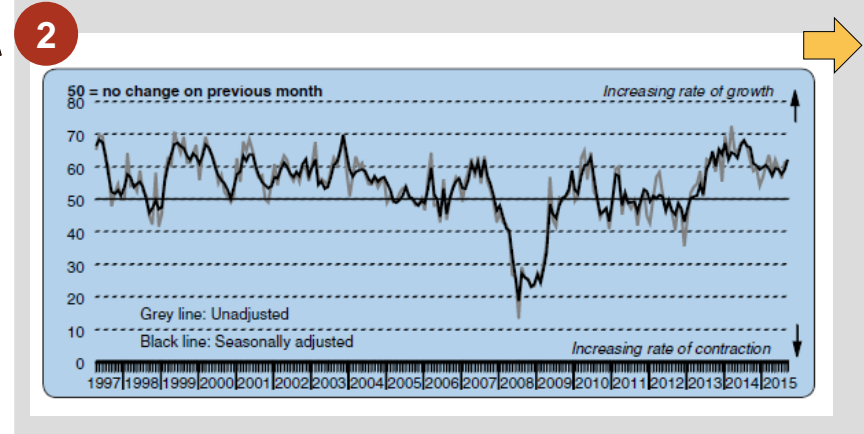
Discussion by country

Marco Economic: Stabilization

Macro (IMF)

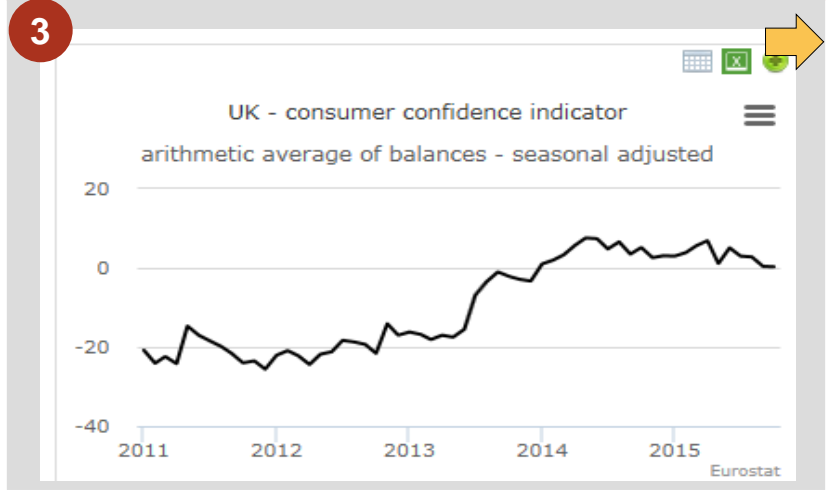


Purchasing (Housing Activity)

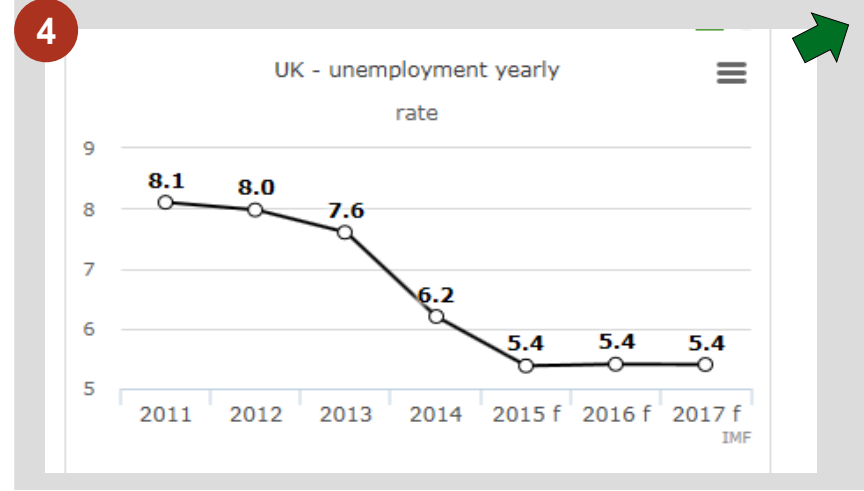


Output growth rebounds led by fastest rise in residential building for 12 months

Consum Climate



Unemployment Rate





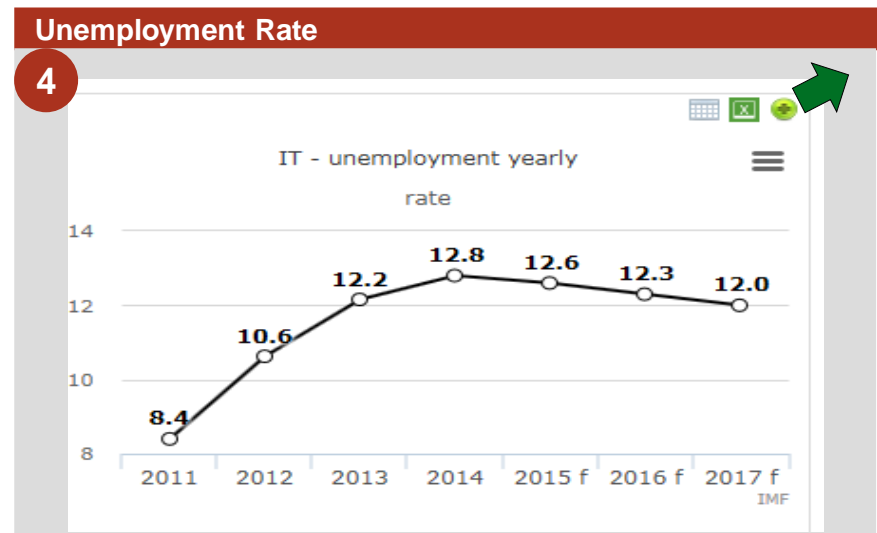
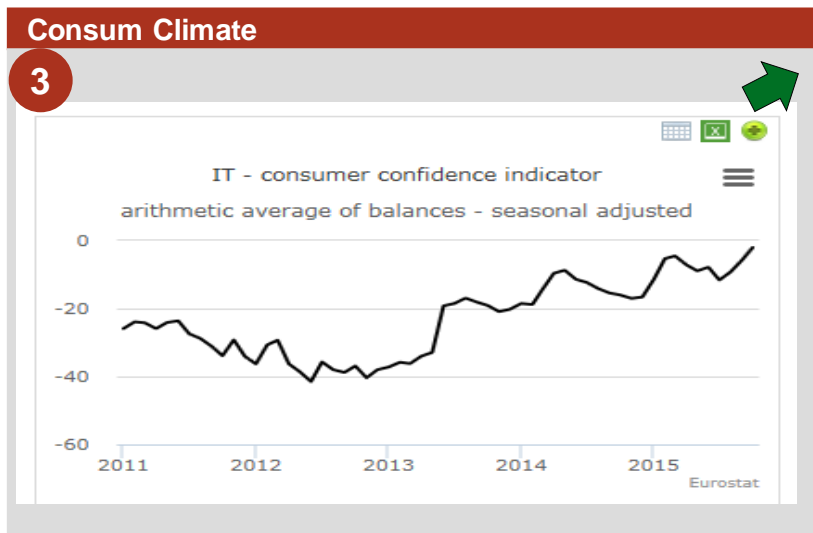
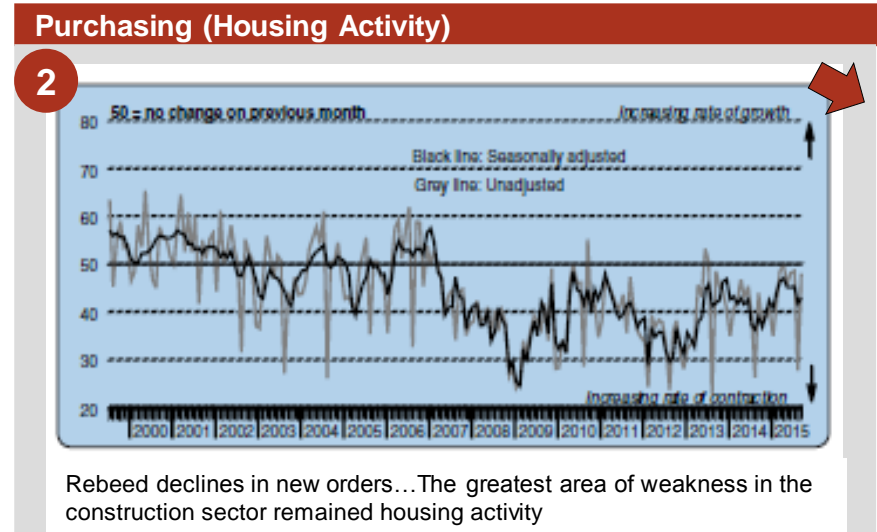
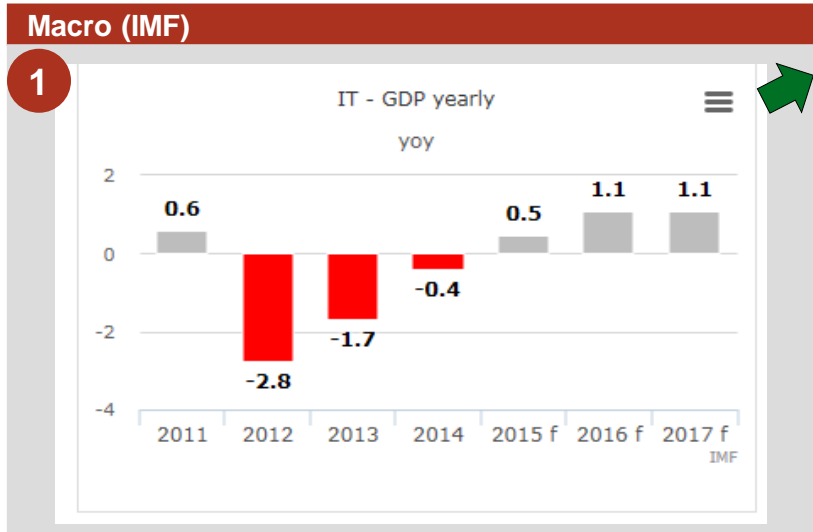
Discussion by country

Starts, Completions Eurocontract June 2015



Discussion by country

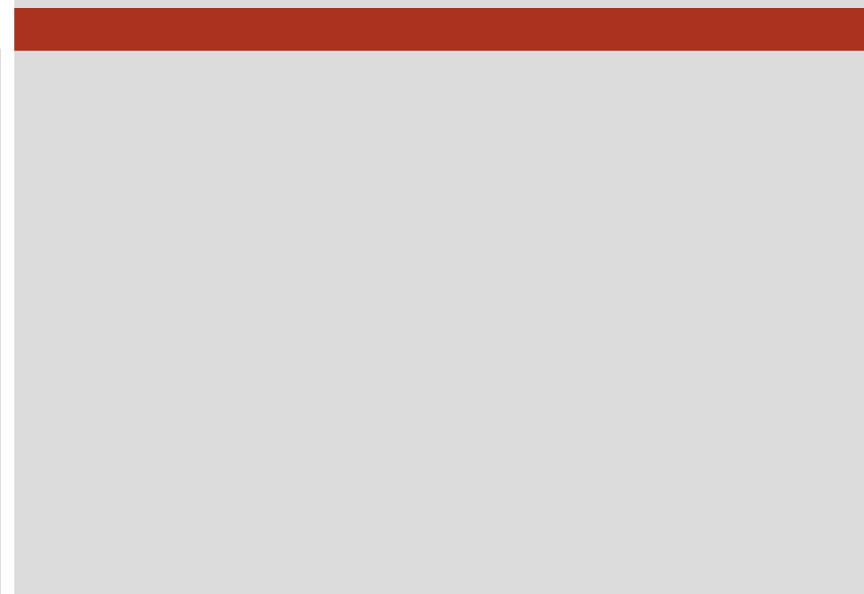
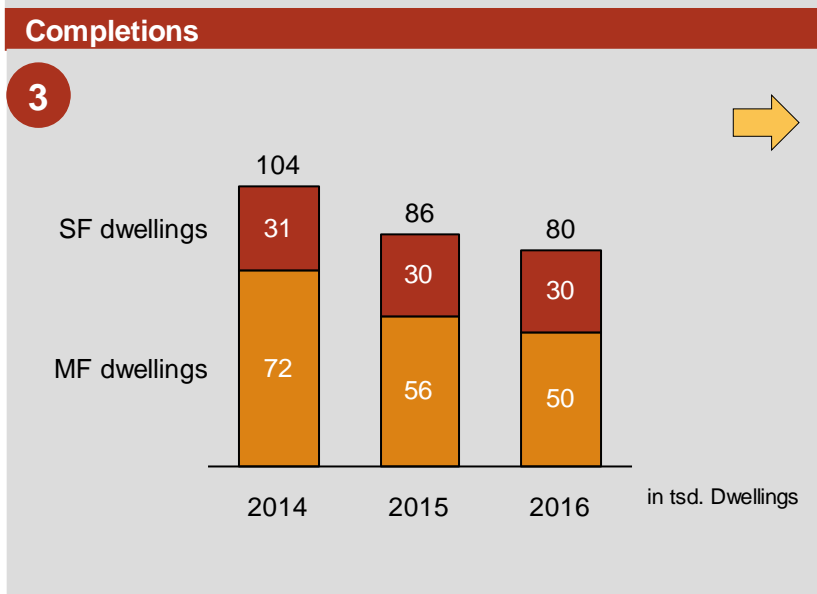
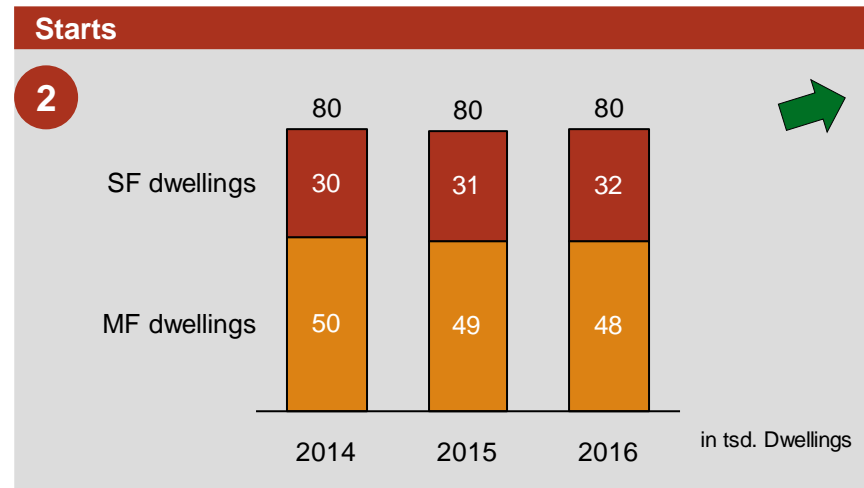
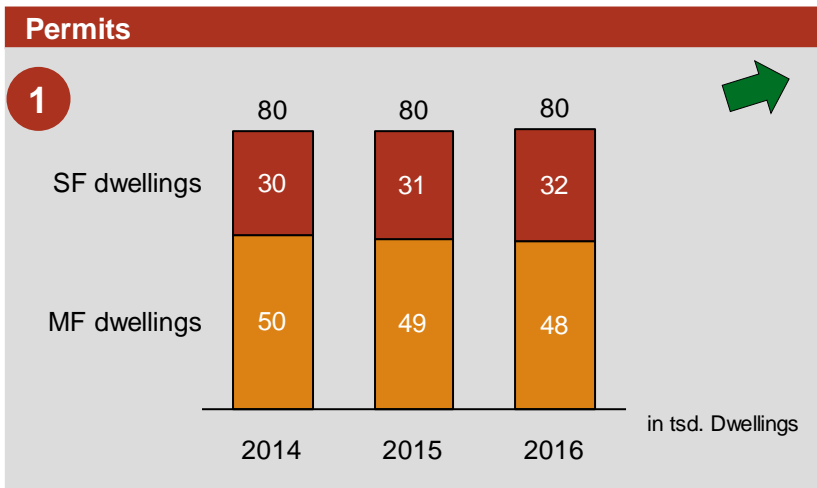
Marco Economic: Light at the end of the tunnel





Discussion by country

Permits, Starts, Completions Eurocontract June 2015



Growth Strategy No. 1: How to deliver our growth and ensure maximum drop-through

