

BRAAS MONIER
BUILDING GROUP

preliminary results 2015

2 March 2016

Pierre-Marie De Leener (CEO)

Georg Harrasser (COO)

Matthew Russell (CFO)

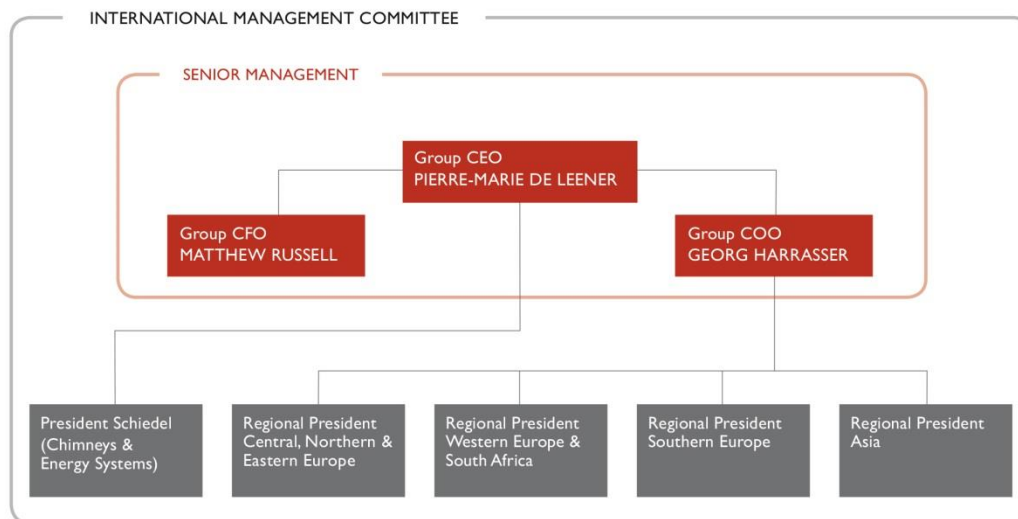
Important Notice

- ▶ All numbers for full year 2015 on a preliminary basis
- ▶ Audited full year financial report to be published on 31 March 2016
- ▶ Please also note the full disclaimer on page 36 of this presentation

Contents

- ▶ Highlights and key figures 2015
- ▶ Operating results by reporting segments
- ▶ Consolidated financial report
- ▶ Outlook 2016

New Management



- ▶ New Management since 15 January 2016
- ▶ Internal solution ensures high continuity



- Chairman Board of Directors of Braas Monier since 2014
- Former CEO of SigmaKalon Group and Executive VP, PPG Industries, Pittsburgh (USA)

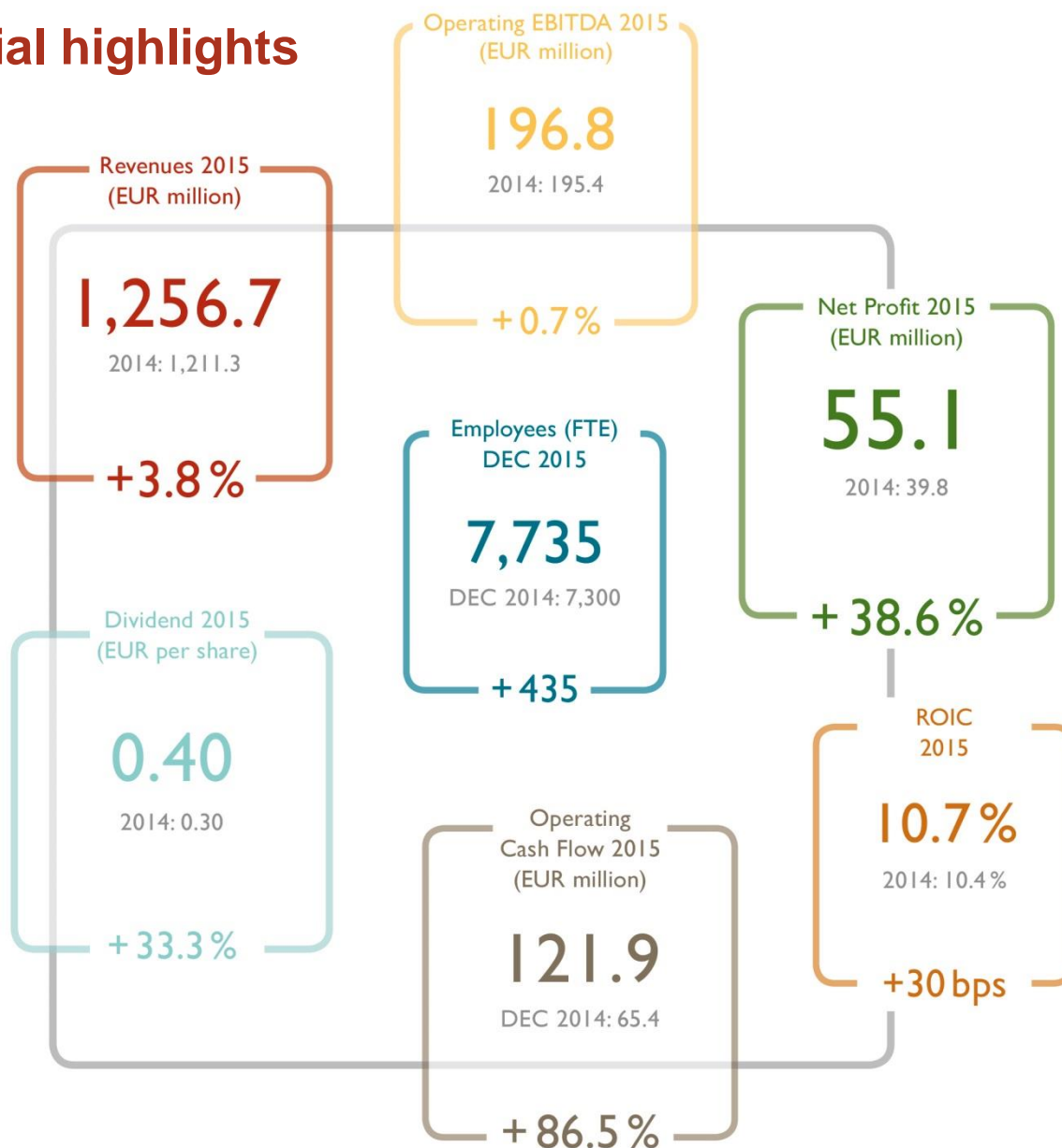


- With Braas Monier since 1993
- Various leadership positions incl CEO Italy and CEO Asia Pacific
- Since 2013: Regional President Centr., North. & East. Europe



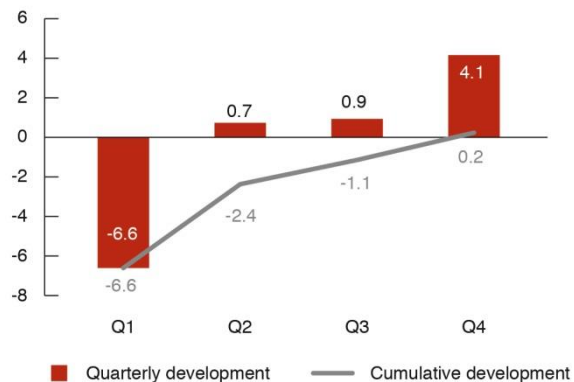
- CFO of Braas Monier since 2013
- Before: Various management positions at Hanson PLC and HeidelbergCement AG

Financial highlights

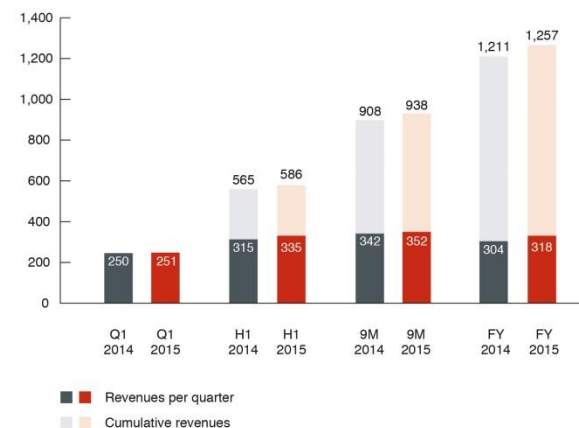


Volumes / Revenues / Operating EBITDA / Net income

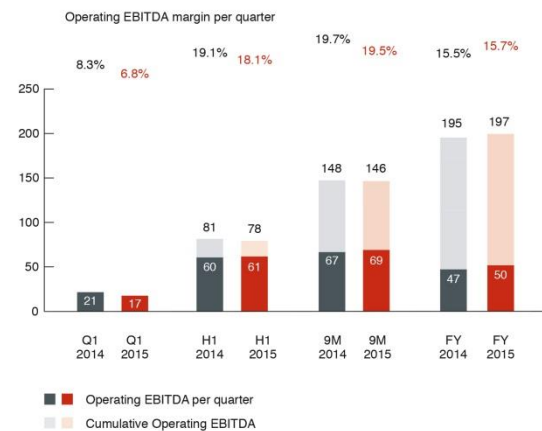
EUROPEAN TILE VOLUMES (LFL CHANGE) 2015 VERSUS 2014
in %



REVENUES
(EUR MILLION)



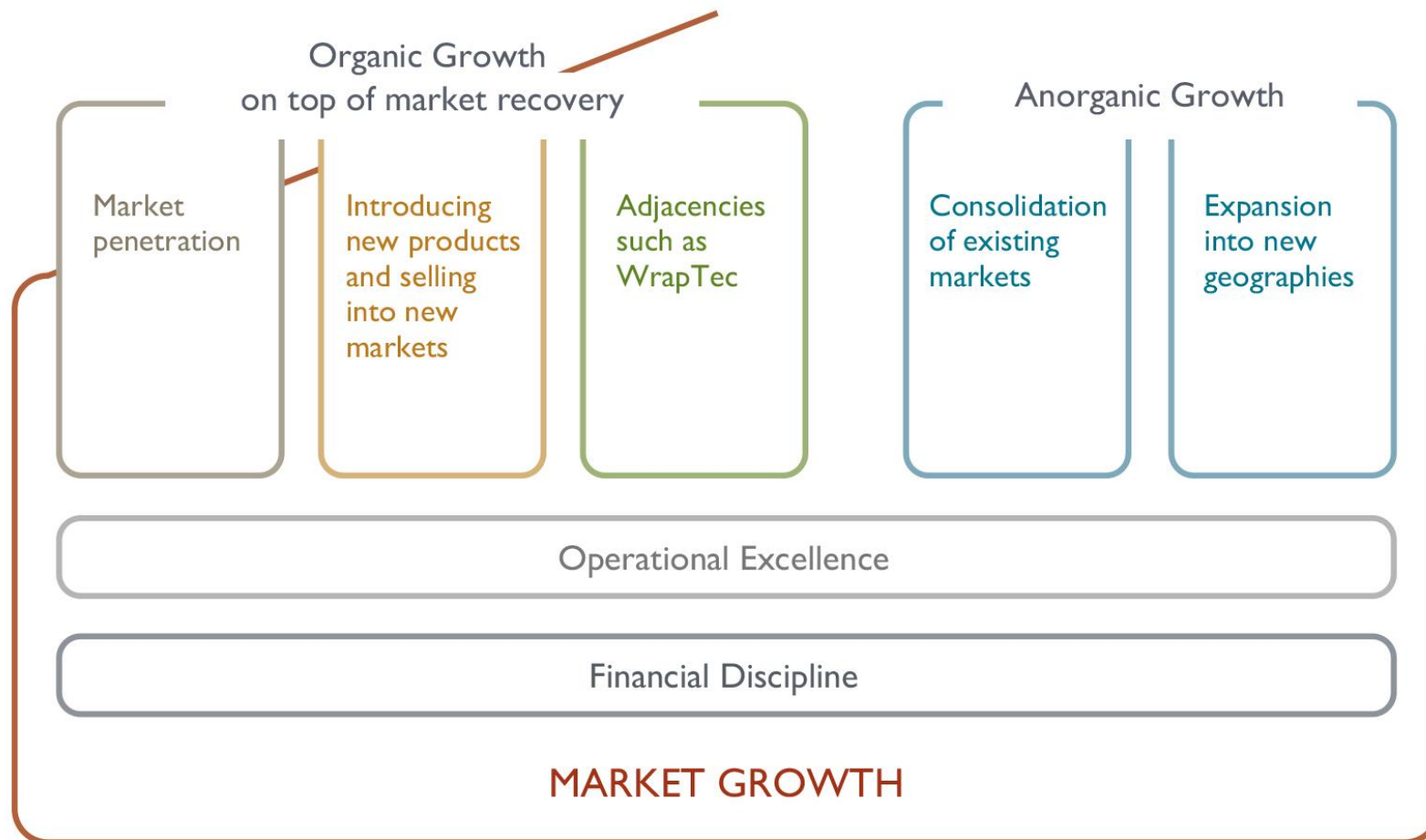
OPERATING EBITDA
(EUR MILLION)



PROFIT (LOSS) FOR THE PERIOD
(EUR MILLION)

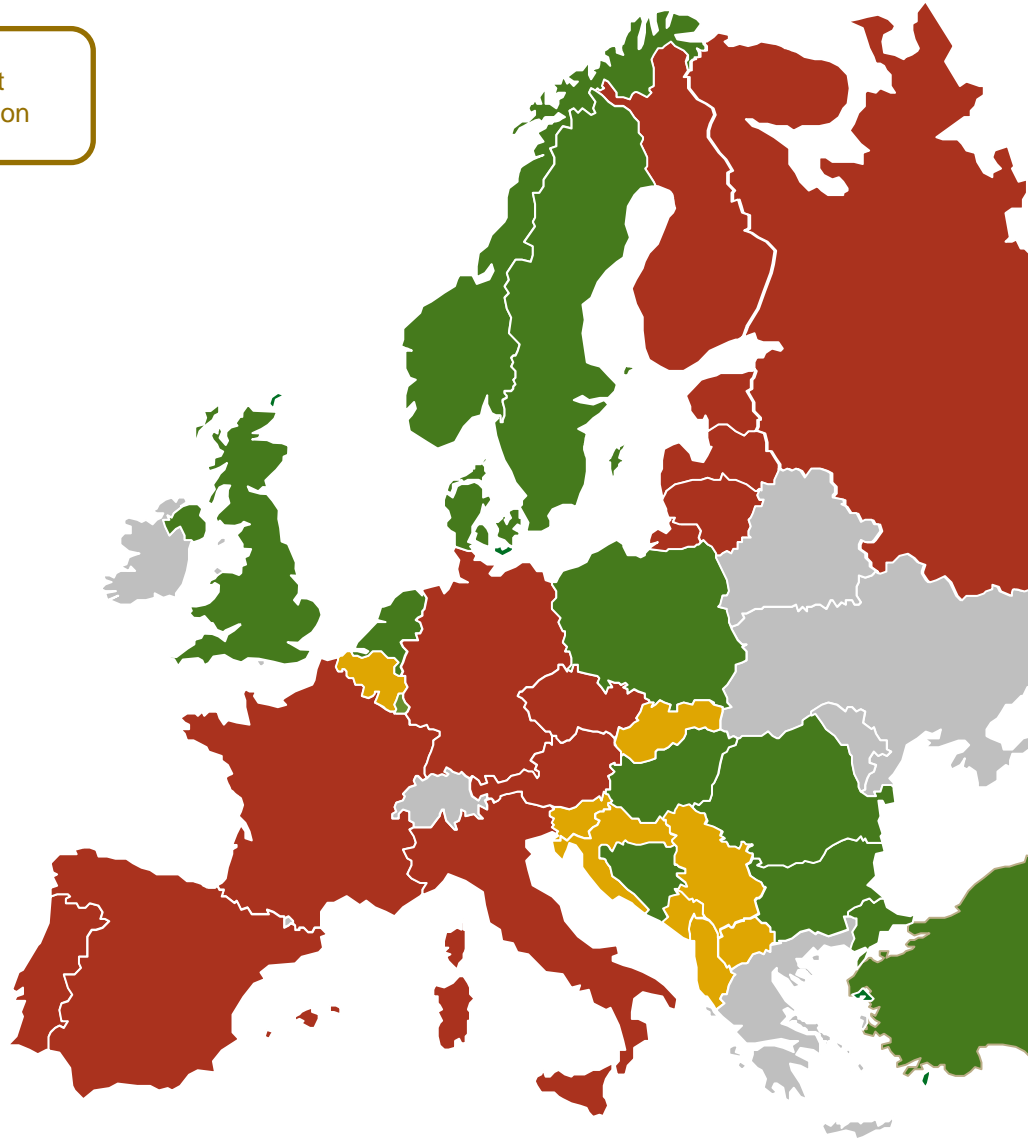


Executing our growth strategy



Addressable Roofing Market with uneven development in 2015

Market penetration



- ▶ Growth in the **UK**, the **Netherlands** as well as in **Scandinavia** and parts of **Eastern Europe**
- ▶ Few, small countries with flattish developm.
- ▶ More difficult development in **Germany** and **Austria**
- ▶ **Spain** and **Portugal** not growing yet
- ▶ Declines in **Italy** more pronounced than in **France**

Legend: Market development 2015 compared to 2014



> 1%



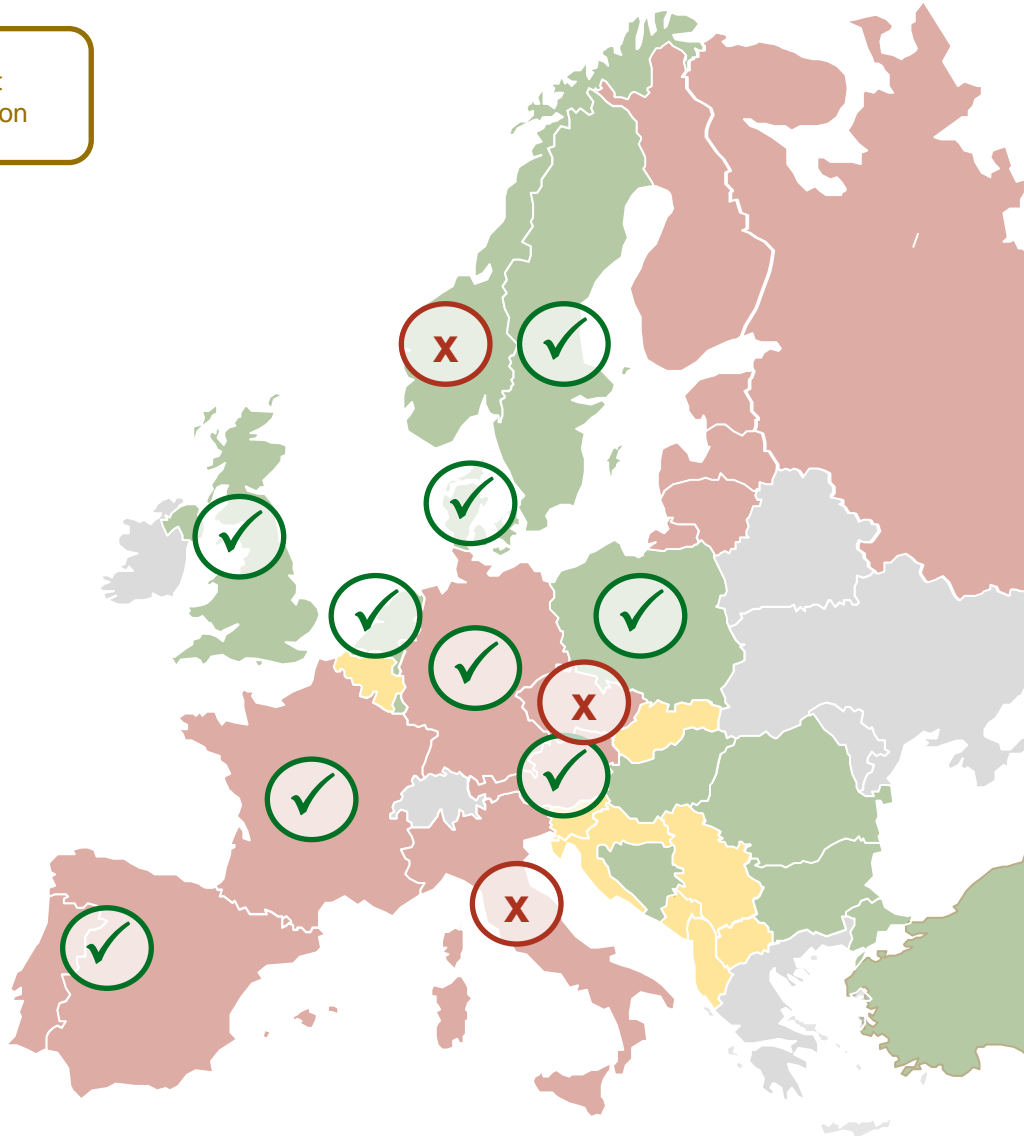
-1% < 0 < 1%



< -1%

We have done better than market development in 75% of our Top European Markets

Market penetration



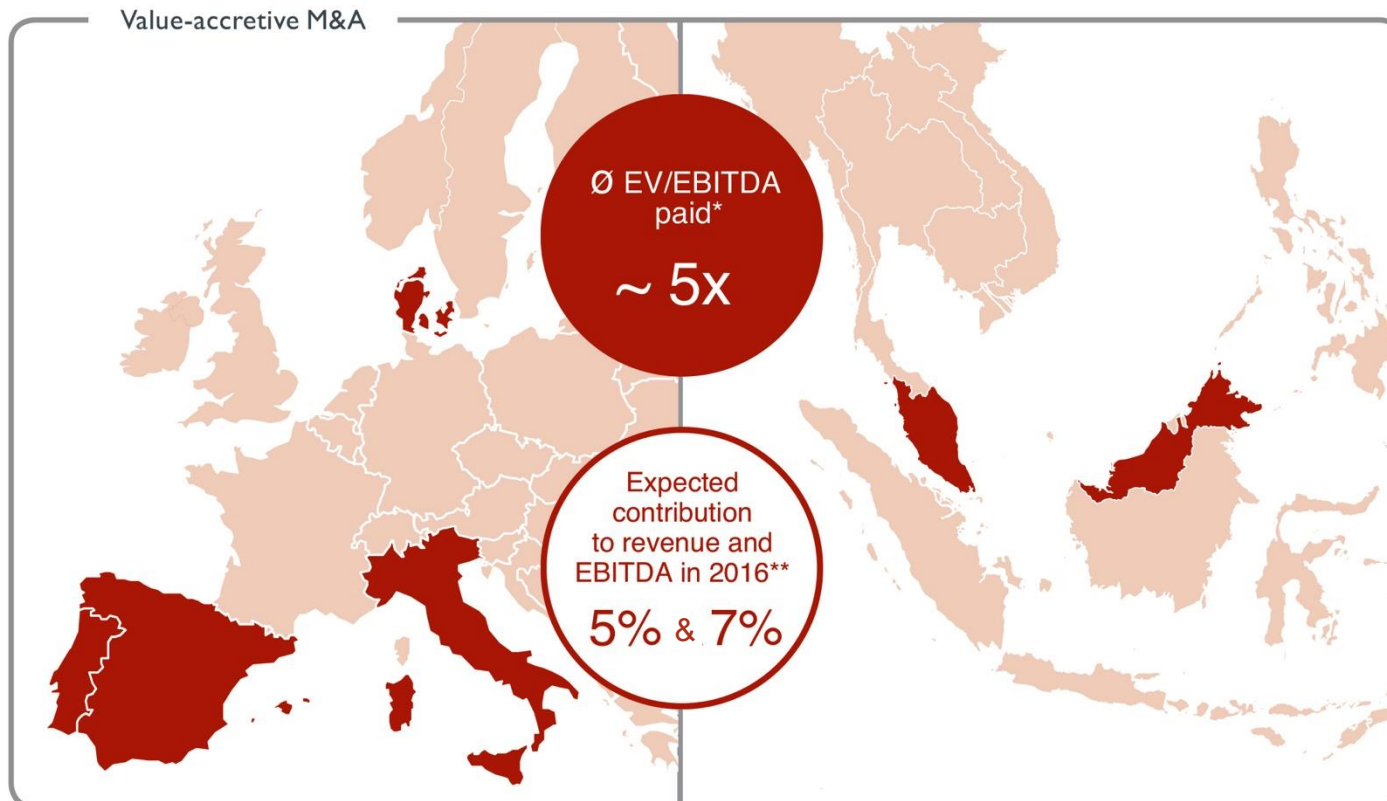
- ▶ Successful roll-out of 'Top Line Growth' initiatives
- ▶ Outperformance in almost all major European markets
- ▶ Group-wide recovery of market share in countries accounting for 70% of revenues

Exceptions:

- ▶ **Italy:**
strict internal credit policy
- ▶ **Czech Republic:**
strict pricing targets
- ▶ **Norway:**
increased competition for concrete tiles

Value-accretive bolt-on M&A

Consolidation & new geographies



* incl. expected three year synergies
** relative to FY 2015 numbers incl. Cobert



Aerlox

LIGHT · STRONG · FAST



New products & new markets



- ▶ Concrete Tile with 40% lower weight..
- ▶ .. but with high strength, long-term aesthetics and frost resistance

Key advantages:

- ▶ Roofer: less weight to lift
 - ▶ Good for the health
 - ▶ and faster laying
- ▶ Lower transport cost
- ▶ Enables us to enter new segment of light roof structures

- ▶ Depending on experience and feedback gathered in Denmark, further market entries considered in 2016 and 2017

WrapTec further rolled-out in 2015

Adjacencies



- ▶ Following successful market entry in Denmark, WrapTec was further rolled-out in 2015 in the UK, Sweden and Norway
- ▶ First projects successfully carried out in Germany
- ▶ Negotiations with big players in the US market during the IEX fair in Chicago
- ▶ Possible launch in BeNeLux in cooperation with a leading international distributor
- ▶ In 2017, WrapTec is expected to generate a low to mid single-digit million Euro amount of revenues and to contribute positively to Operating EBITDA

Contents

- ▶ Highlights and key figures 2015
- ▶ Operating results by reporting segments
- ▶ Consolidated financial report
- ▶ Outlook 2016

Western Europe

(EUR million)	Q4 2015	Q4 2014	Change	Change like-for-like	2015	2014	Change	Change like-for-like
Revenues	77.8	72.9	6.8%	2.7%	320.8	304.1	5.5%	1.3%
Operating EBITDA	12.0	10.2	18.0%	13.4%	48.3	43.3	11.7%	7.1%
<i>in % of revenues</i>	15.4%	13.9%			15.1%	14.2%		
EBIT	7.4	10.0	-25.3%		26.7	23.6	13.2%	
	Q4 2015	Q4 2014	Change		2015	2014	Change	
Volumes sold tiles (in million m ²)	5.1	4.9	4.1%		20.8	20.7	0.8%	
Average number of employees	1,326	1,297	2.2%		1,320	1,289	2.4%	

- ▶ Significant volume growth in the **UK** and the **Netherlands** as well as increased component sales
- ▶ **French volumes** still weak, but with improving trend throughout the year, ending flat in Q4
- ▶ **Operating EBITDA margin** substantially lifted to 15.1% due to improved price levels and higher component sales in the **UK** and the **Netherlands**



Central, Northern & Eastern Europe

(EUR million)	Q4 2015	Q4 2014	Change	Change like-for-like	2015	2014	Change	Change like-for-like
Revenues	109.8	103.5	6.0%	7.4%	429.5	427.4	0.5%	1.9%
Operating EBITDA	18.5	17.0	8.3%	9.6%	72.2	72.2	0.0%	0.8%
<i>in % of revenues</i>	16.8%	16.5%			16.8%	16.9%		
EBIT	14.0	11.0	27.4%		54.0	50.0	7.9%	
	Q4 2015	Q4 2014	Change		2015	2014	Change	
Volumes sold tiles (in million m ²)	7.4	6.9	7.3%		28.2	27.7	1.7%	
Average number of employees	1,508	1,521	-0.9%		1,511	1,526	-1.0%	

- ▶ **Volume improved** throughout the year and resulted in a volume increase in Q4 of 7.3% versus 1.7% for FY 2015
- ▶ **Revenue growth** of 0.5% despite negative FX effects (Russia/Scandinavia) based on like-for-like growth of 1.9%
- ▶ **Operating EBITDA** was virtually stable at EUR 72.2 m with marginally declined **Operating EBITDA margin** of 16.8% in 2015 versus 16.9% the year before

CENTRAL, NORTHERN & EASTERN EUROPE



Southern Europe

(EUR million)	Q4 2015	Q4 2014	Change	Change like-for-like	2015	2014	Change	Change like-for-like
Revenues	58.2	49.3	18.1%	0.9%	215.5	184.5	16.8%	-1.7%
Operating EBITDA	10.6	8.4	25.5%	16.3%	36.8	33.7	9.2%	-2.9%
<i>in % of revenues</i>	<i>18.1%</i>	<i>17.1%</i>			<i>17.1%</i>	<i>18.3%</i>		
EBIT	3.0	-2.1			11.6	8.5	35.6%	
	Q4 2015	Q4 2014	Change		2015	2014	Change	
Volumes sold tiles (in million m ²)	10.0	6.5	53.2%	-1.1%	22.1	16.8	31.6%	-3.0%
Average number of employees	1,264	1,007	25.5%		1,244	1,012	22.9%	

- ▶ **Strong revenue increase** by 16.8% due to the first time inclusion of **Cobert** in Spain and Portugal
- ▶ **Like-for-like revenues** in 2015 (-1.7%) were burdened by on-going volume declines in **Italy**
- ▶ **Negative volume effect** was partially compensated for by positive pricing and strict cost management
- ▶ Operating EBITDA **margin kept at high level** of 17.1% despite the dilutive effect of first time inclusion of **Cobert**



Asia & Africa

(EUR million)	Q4 2015	Q4 2014	Change	Change like-for-like	2015	2014	Change	Change like-for-like
Revenues	31.7	38.6	-17.9%	-21.4%	130.9	136.2	-3.9%	-10.3%
Operating EBITDA	6.9	8.6	-19.4%	-25.0%	21.6	24.4	-11.6%	-17.8%
<i>in % of revenues</i>	21.8%	22.2%			16.5%	17.9%		
EBIT	9.0	14.0	-35.7%		16.5	22.9	-28.2%	
	Q4 2015	Q4 2014	Change		2015	2014	Change	
Volumes sold tiles (in million m ²)	6.5	7.8	-15.7%		26.1	28.6	-8.9%	
Average number of employees	1,873	1,899	-1.4%		1,902	1,873	1.6%	

- ▶ Revenues declined by 3.9% (l-f-l by 10.3%) in 2015 due to strong volume reductions in **Malaysia** and in **China**
- ▶ Pull-forward effects in **Malaysia** ahead of VAT introduction in April and political instability weighed on 2015
- ▶ **Positive currency effects** of EUR 7.2 m in 2015
- ▶ **Operating EBITDA** decline of 11.6% was limited by additional fixed cost savings with measures

ASIA & AFRICA



Chimneys & Energy Systems

(EUR million)	Q4 2015	Q4 2014	Change	Change like-for-like	2015	2014	Change	Change like-for-like
Revenues	43.2	42.8	0.9%	0.4%	170.4	173.0	-1.5%	-1.4%
Operating EBITDA	5.2	5.3	-3.2%	-4.8%	23.0	24.8	-7.1%	-7.5%
<i>in % of revenues</i>	12.0%	12.5%			13.5%	14.3%		
EBIT	3.0	3.7	-19.5%		13.4	16.1	-16.5%	
	Q4 2015	Q4 2014	Change		2015	2014	Change	
Chimneys sold (in million m)	0.6	0.6	-0.8%		2.2	2.3	-4.6%	
Average number of employees	1,181	1,183	-0.1%		1,173	1,185	-0.9%	

- ▶ **Volumes declined** by 4.6% and therefore less than the overall markets, while **pricing** was generally **positive**
- ▶ **Revenue decline** of 1.5% included stopped operations in France and negative currency effect, positive trend in Q4
- ▶ **Operating EBITDA declined by EUR 1.8 m** in 2015, 2014 included approx. EUR 1 m higher gains from the disposal of idle assets

CHIMNEYS & ENERGY SYSTEMS



Central Products & Services

(EUR million)	Q4 2015	Q4 2014	Change	Change like-for-like	2015	2014	Change	Change like-for-like
Revenues	22.1	20.0	10.5%	10.4%	98.1	99.4	-1.2%	-1.4%
Operating EBITDA	-2.7	-2.5	9.5%	5.9%	-5.2	-3.0	-76.0%	-67.7%
<i>in % of revenues</i>	-12.4%	-12.6%			-5.3%	-3.0%		
EBIT	4.3	-1.9			1.4	-6.4		
	Q4 2015	Q4 2014	Change		2015	2014	Change	
Volumes sold tiles (in million m ²)	n/a	n/a	n/a		n/a	n/a	n/a	
Average number of employees	412	415	-0.7%		411	415	-0.9%	

- ▶ **Revenues** in this segment only include part of the components business – **majority of components sales** were accounted for in the other reporting segments
- ▶ **Overall positive development** on Group level with growth of 1.7% in 2015, KPI increased like-for-like by 3.0% from EUR 2.37 per m² to EUR 2.44 per m²



Contents

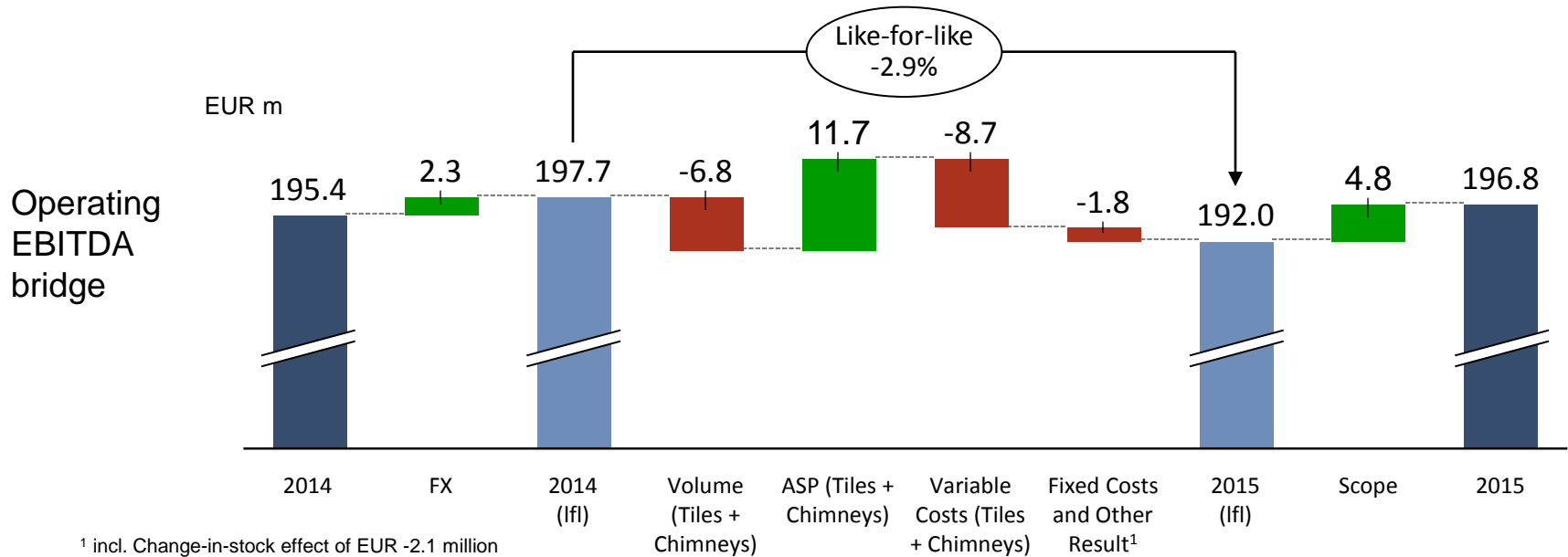
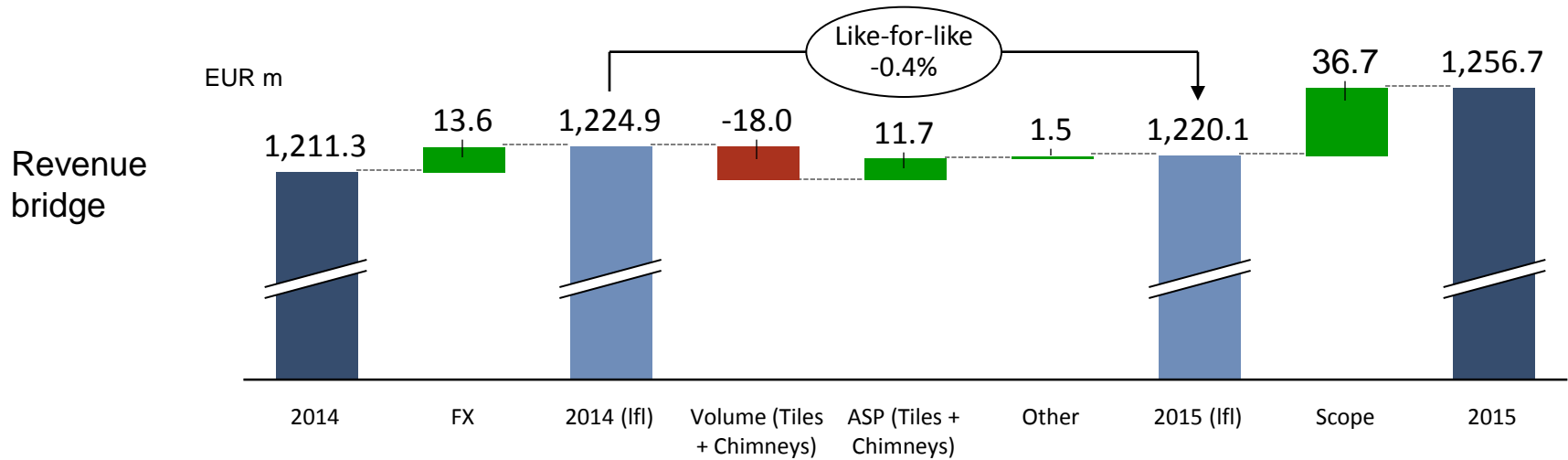
- ▶ Highlights and key figures 2015
- ▶ Operating results by reporting segments
- ▶ Consolidated financial report
- ▶ Outlook 2016

Summary consolidated income statement

(EUR million)

	Q4 2015	Q4 2014	2015	2014
Revenues	318.4	303.6	1,256.7	1,211.3
Operating EBITDA	50.3	47.0	196.8	195.4
in % of revenue	15.8%	15.5%	15.7%	16.1%
Depreciation and amortisation	21.9	21.2	87.3	90.7
Result from associates	0.5	0.3	1.1	0.9
Operating income	28.9	26.1	110.6	105.6
Non-operating result	11.9	8.6	13.0	9.2
Earnings before interest and taxes (EBIT)	40.8	34.7	123.6	114.8
Finance result	-7.8	-20.2	-41.6	-58.2
Earnings before taxes (EBT)	33.0	14.5	82.0	56.6
Income taxes	-11.1	-3.0	-26.8	-16.8
Profit (loss) for the period	22.0	11.6	55.1	39.8
Minorities	0.2	0.1	0.1	-0.1
Group share of profit	21.8	11.5	55.1	39.9

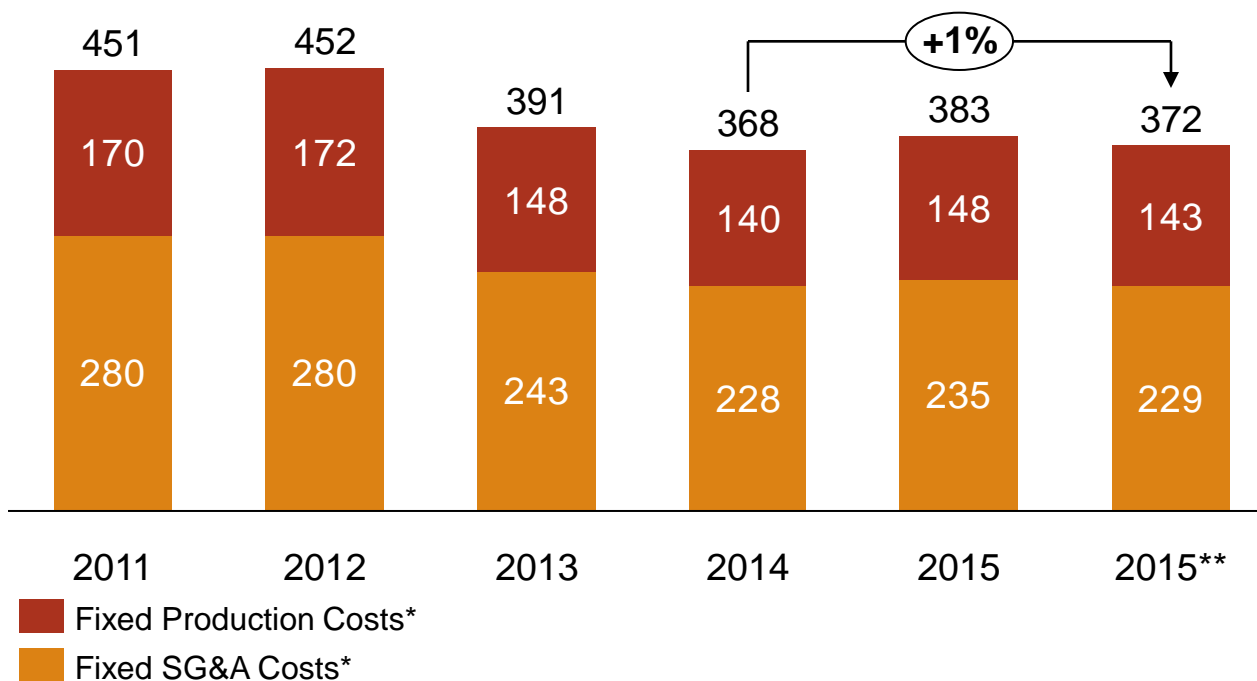
Revenue and Operating EBITDA development in 2015



¹ incl. Change-in-stock effect of EUR -2.1 million
Analyst Presentation

Strict control of fixed costs maintained

(EUR million)



* Excluding depreciation and amortisation

** excluding Cobert and GCI

- ▶ Fixed costs since 2011 reduced substantially through restructuring programme
- ▶ Culture of strict cost control preserves operating leverage for recovery

Balance sheet

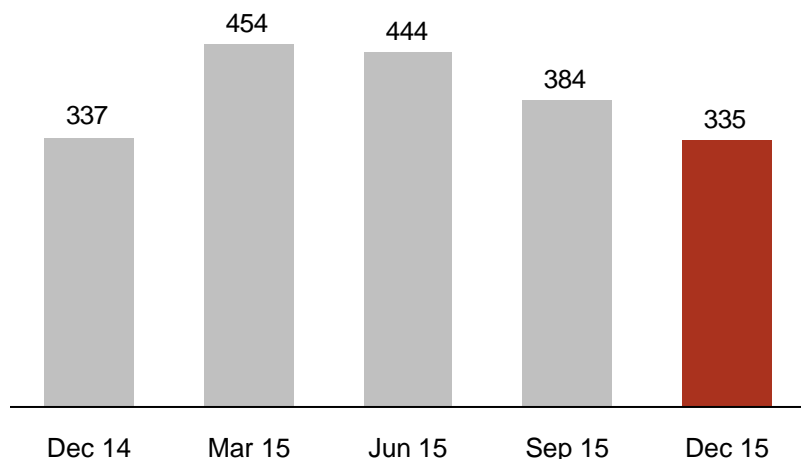
Summary Group balance sheet

(EUR million)

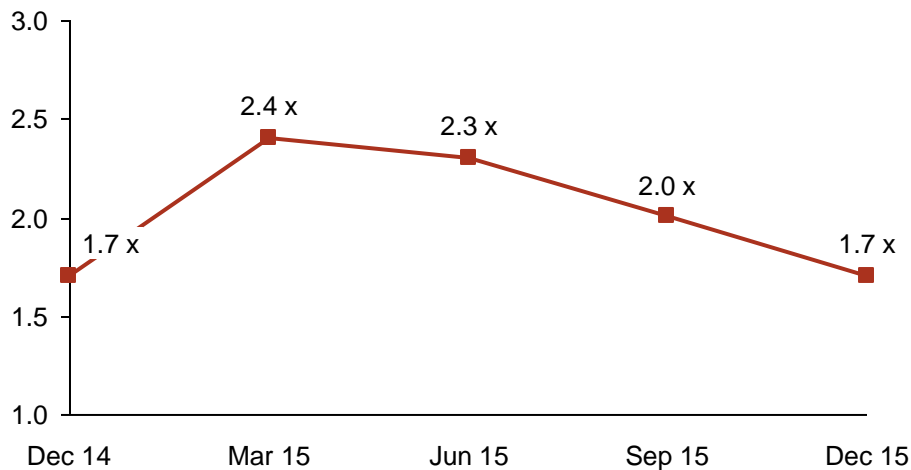
	31 Dec 2015	31 Dec 2014
Assets		
Goodwill and intangible assets	285.3	277.2
Property, plant and equipment	639.7	617.4
Financial assets	19.6	13.8
Fixed assets	944.7	908.5
Deferred tax assets	33.0	37.5
Receivables and other assets	129.9	134.0
Inventories	222.1	200.9
Cash and cash equivalents	183.4	180.9
Assets held for sale	4.4	2.1
Total assets	1,517.5	1,463.9
Equity and liabilities		
Total equity attributable to the shareholders	145.6	91.3
Non-controlling interests	1.5	1.6
Equity	147.0	92.9
Debt	518.7	513.5
Provisions	504.1	527.2
Deferred tax liabilities	15.2	8.7
Operating liabilities	332.5	321.6
Total liabilities	1,517.5	1,463.9

Financial leverage reflects seasonal pattern

Net Debt (in EUR m)



Financial Leverage: Net Debt / EBITDA (LTM)



Analyst Presentation

- ▶ Uninterrupted improvement of Net Debt and Financial Leverage after seasonal peak in March
- ▶ Financial leverage kept on last year's level despite growth investments
- ▶ Net Leverage of 1.7x well within target range of 2.0x or below, including acquisitions on a pro-forma basis

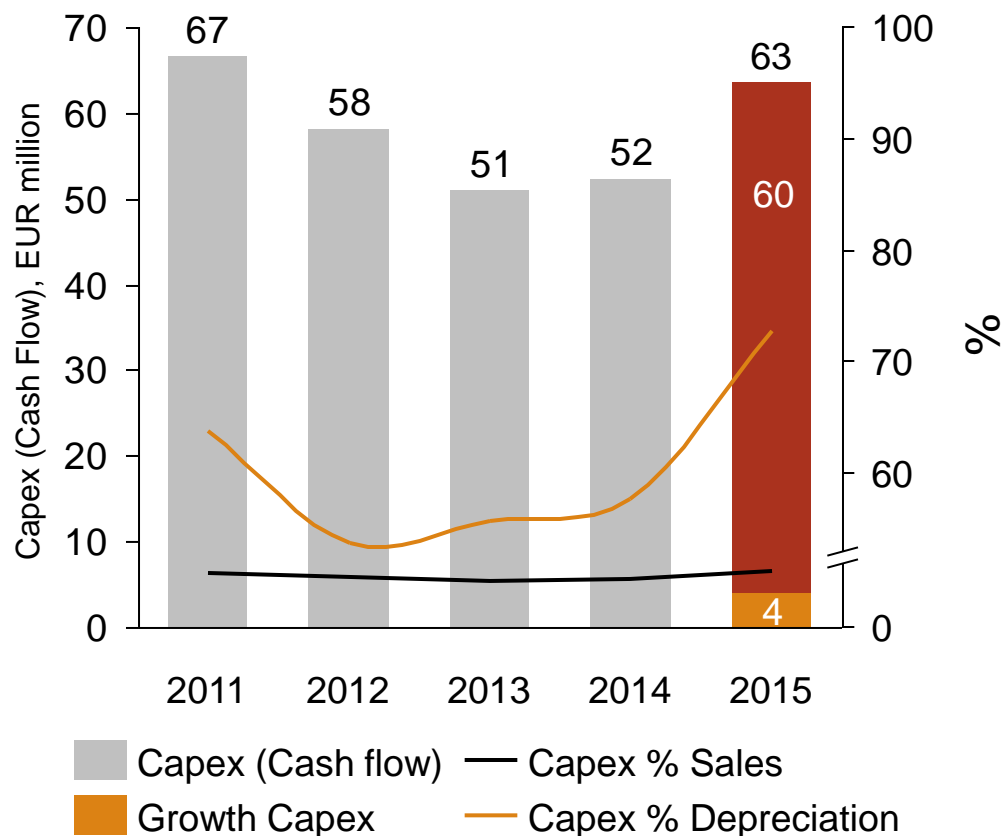
Gross Debt:

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

Ratings:

- ▶ Moody's: B1 (stable)
- ▶ S&P: BB- (stable)
- ▶ Received upgrade from S&P may enhance our possibility to refinance in the current business year

Capex Development



- ▶ Sustaining Capex 2015 incl. roll-over effect from 2014
- ▶ Growth Capex in particular to improve the industrial footprint in Germany as well as investment in development of innovative tile with 'Aerlox' technology
- ▶ Depreciation includes two relatively newer plants in France

Cash flow

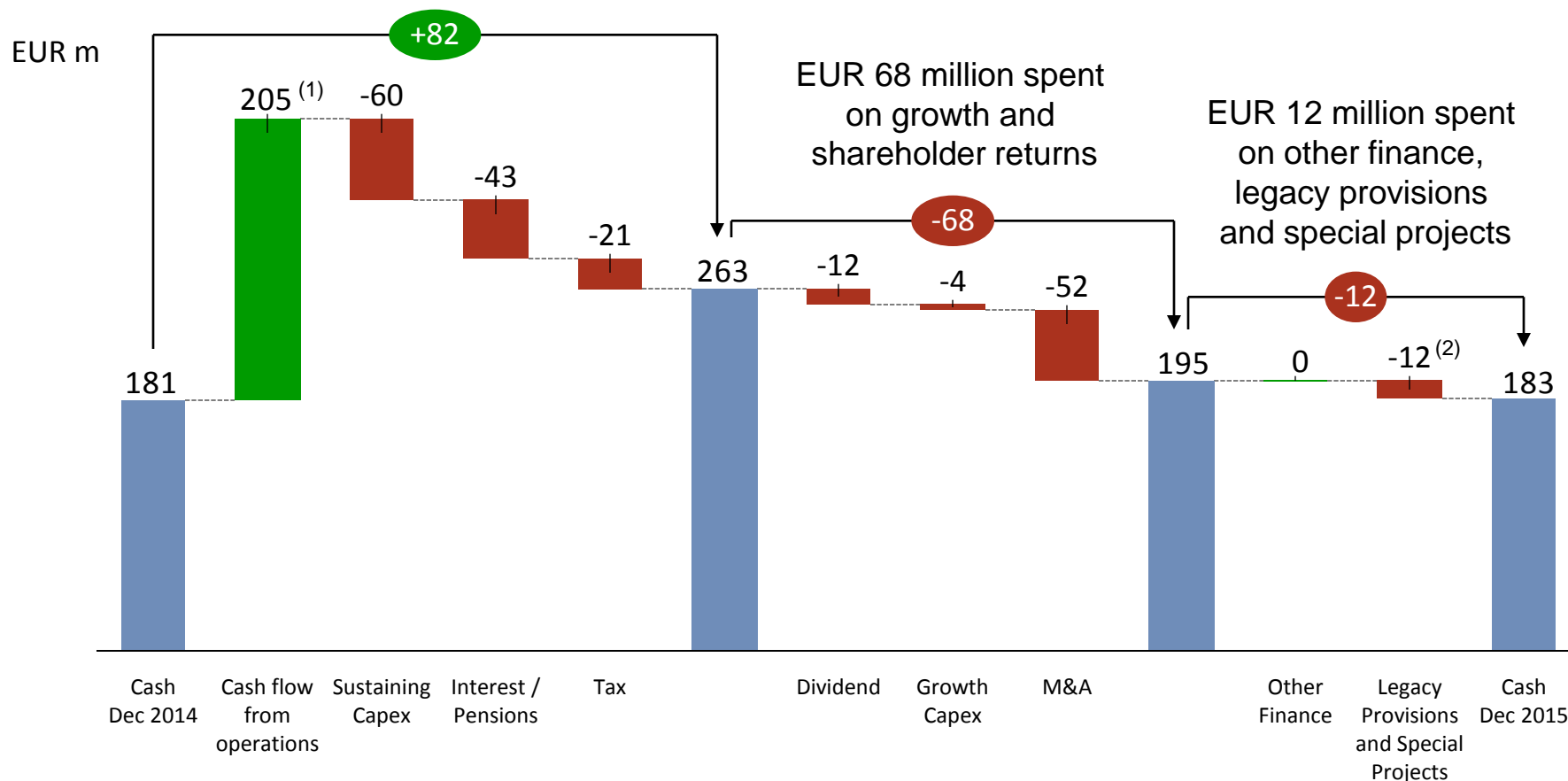
Summary consolidated cash flow statement

(EUR million)

	Q4 2015	Q4 2014	2015	2014
Operating cash flow bef. change in provisions and w.c.	38.2	37.8	149.6	120.4
Change in provisions	-5.1	-24.4	-25.4	-56.5
Change in working capital	61.6	56.6	-2.3	1.5
Net cash from operating activities	94.0	70.0	121.9	65.4
Total investments	-48.1	-20.5	-115.4	-52.2
Proceeds from fixed assets disposals	3.1	4.2	7.0	6.4
Net cash used in investing activities	-44.9	-16.3	-108.4	-45.8
Free cash flow	49.1	53.7	13.5	19.6
Net change in bond and loans	1.7	-0.2	1.5	-146.8
Proceeds from capital increases	0.0	-0.5	0.0	103.9
Dividends paid	0.0	0.0	-11.8	-2.6
Net cash from / used in financing activities	1.7	-0.7	-10.2	-45.5
Net change in cash and cash equivalents	50.8	53.0	3.3	-25.9
Effect of exchange rate fluctuations on cash and cash equivalents	-1.3	-1.4	-0.9	-0.6
Change in cash and cash equivalents	49.5	51.6	2.4	-26.5

Strong operational Cash Flow

EUR 82 million generated from operating business



(1) Including EUR 10 m additional factoring agreements in the UK, Spain and Portugal

(2) Including EUR 10 m legal settlement

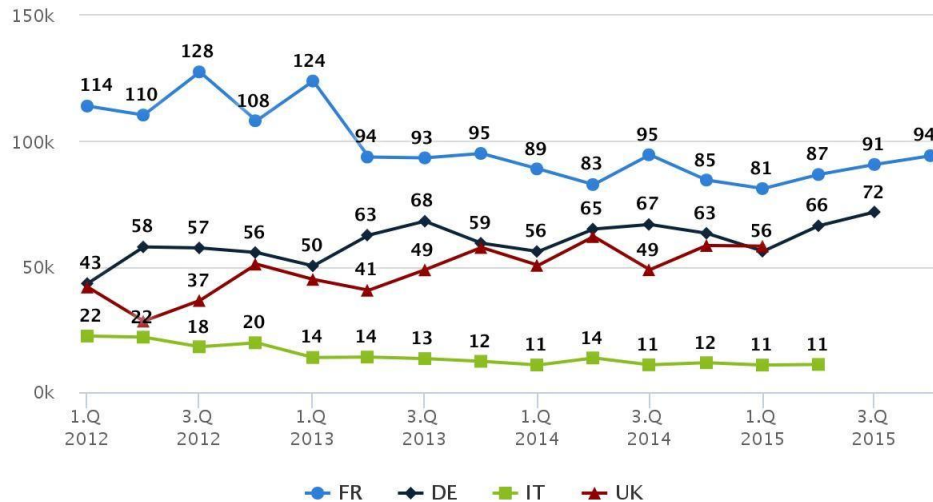
Contents

- ▶ Highlights and key figures 2015
- ▶ Operating results by reporting segments
- ▶ Consolidated financial report
- ▶ Outlook 2016

Lead indicators New Build

dwelling

permitted units quarterly

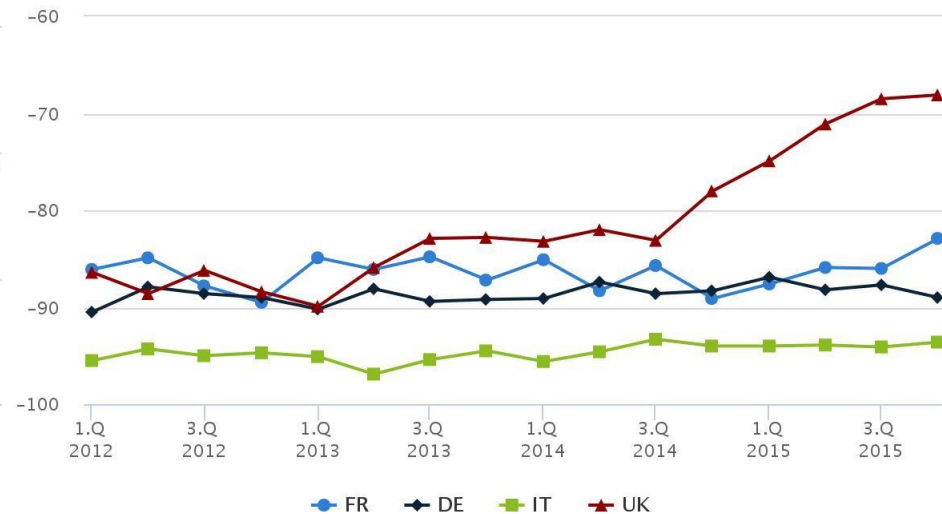


NSO / B+L

- ▶ Building permits show positive trend in France, Germany and the UK
- ▶ Italy continues to stay flat at a very low level

purchase or build a home within the next 12 months

balance – seasonal adjusted



Eurostat

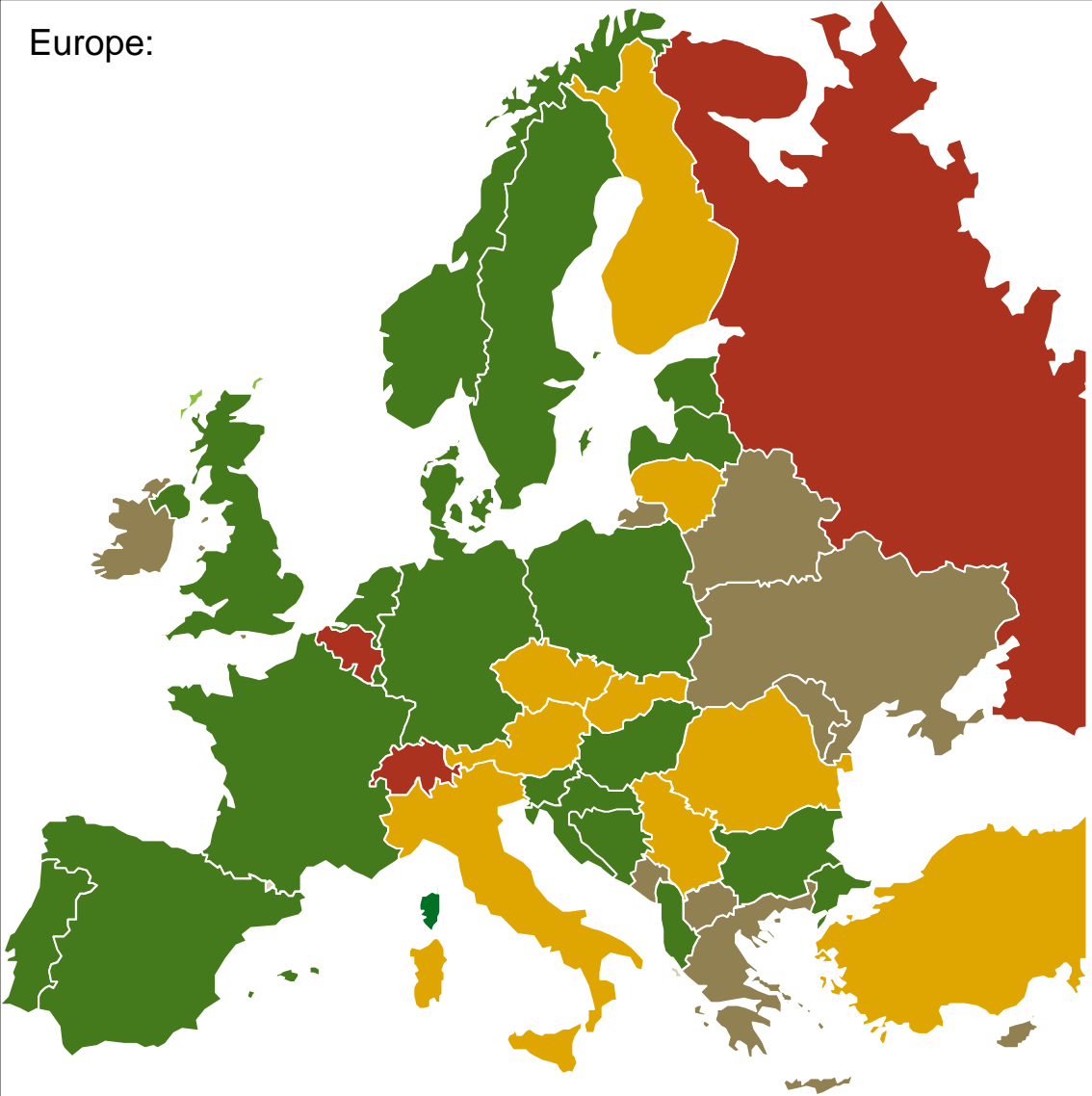
- ▶ Consumer sentiment regarding purchase and new build very strong in the UK and visibly improving in France
- ▶ At least flat in Germany and Italy

Positive European new build market expected 2016

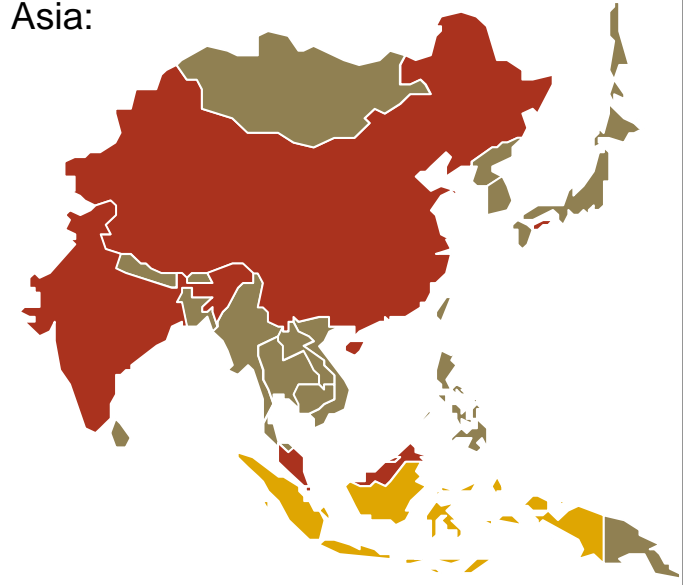
(Residential NB Pitched Roof Market, view BMBG, 2015-2016)



Europe:



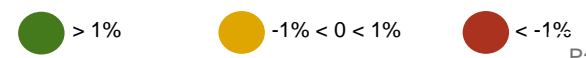
Asia:



South Africa:



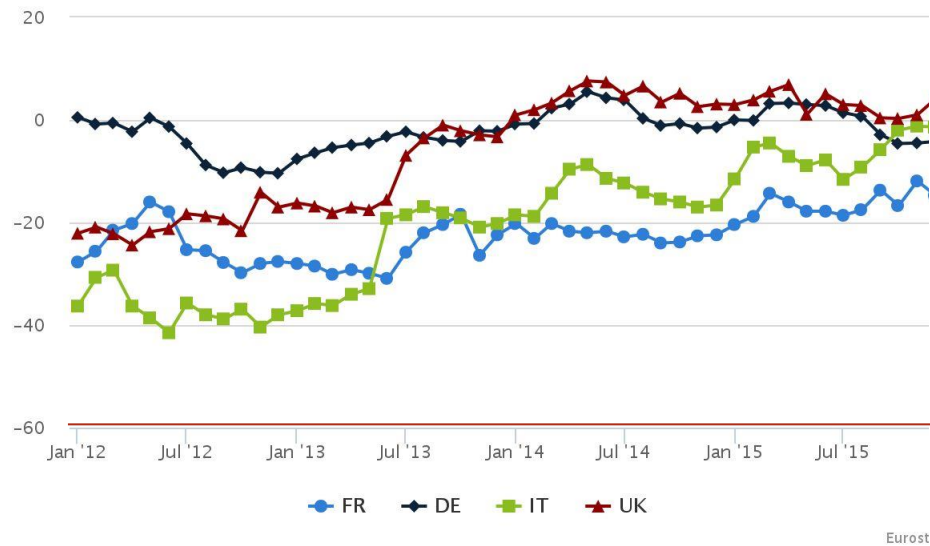
Legend:



Lead indicators Renovation

consumer confidence indicator

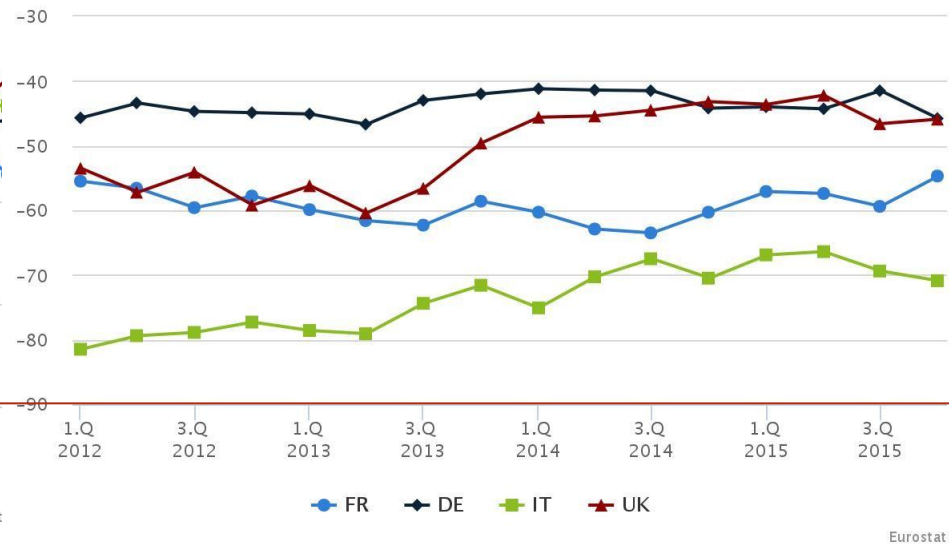
arithmetic average of balances – seasonal adjusted



- ▶ General consumer confidence around zero in the UK, Italy and Germany
- ▶ Trend improving in Italy and France, weakening in Germany

home improvements over the next 12 months

balance – seasonal adjusted



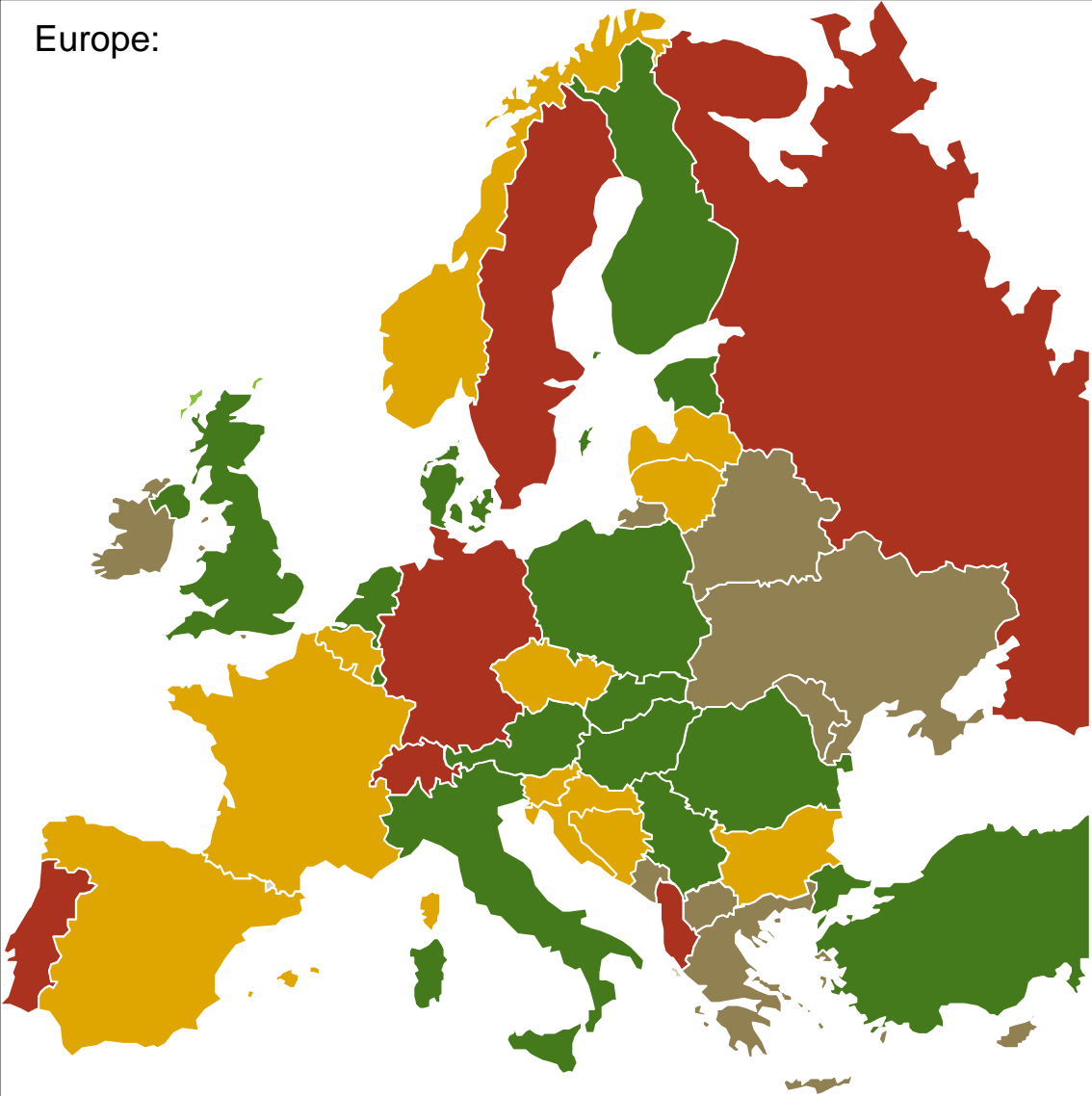
- ▶ Consumer sentiment regarding home improvements broadly stable in the UK, improving in France and slightly declining in Germany recently
- ▶ Italy with some weakening after improvement in 2013 and 2014

Mixed RMI market expected in 2016

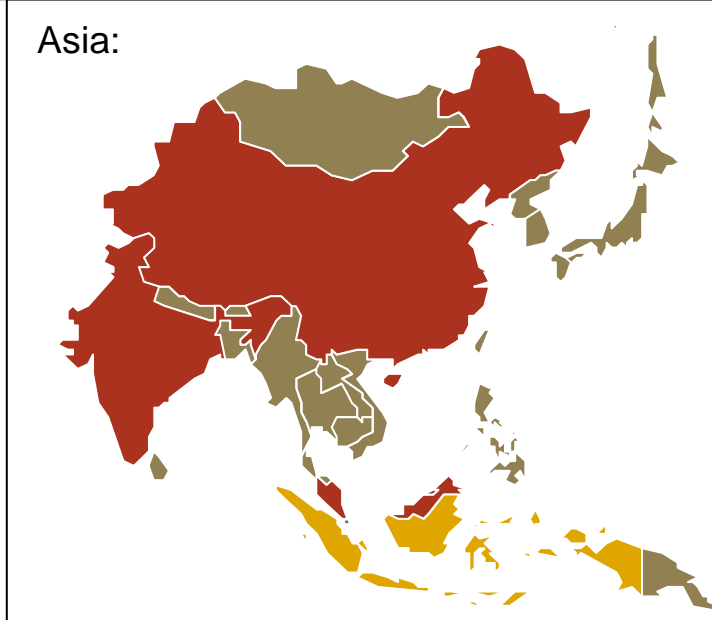
(Residential RMI Pitched Roof Market, view BMBG, 2015-2016)



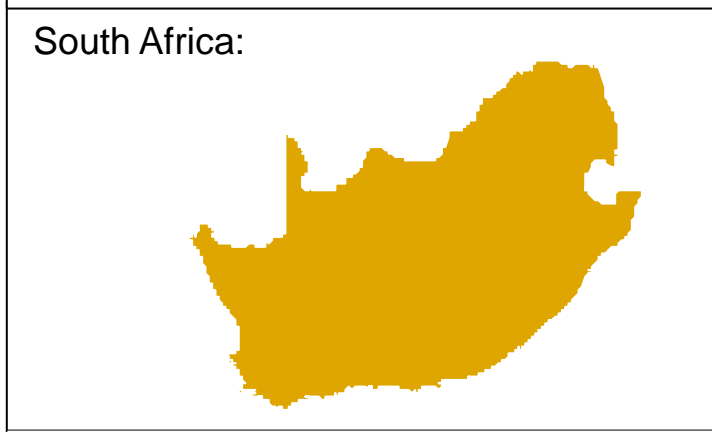
Europe:



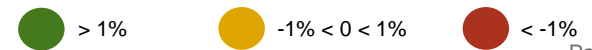
Asia:



South Africa:



Legend:



First Outlook 2016

- ▶ Like-for-like revenues expected to grow by 2% to 3%
 - ▶ Driven by growth in European tile volumes
 - ▶ ASP to increase slightly to cover increasing input costs
- ▶ On top, first-time inclusion in full of acquisitions in Malaysia, Denmark and Italy expected to provide another 2% to 3% of revenue growth and approx. 4% in Operating EBITDA growth
- ▶ Sustaining Capex of approx. EUR 65 million
- ▶ Approx. EUR 5 million to be invested in growth projects in FY 2016
- ▶ Expected legacy and non-recurring cash-outs in 2016 of approx. EUR 10 million
- ▶ Aerlox and WrapTec provide additional revenue and earnings potential from 2016 and 2017 on

Financial calendar and contact information

02 March 2016	Preliminary results 2015
31 March 2016	Publication of the Annual Report 2015
04 May 2016	Three-Month Results for 2016
11 May 2016	Annual General Meeting, Luxembourg
03 August 2016	Half-Year and Second Quarter Results for 2016
02 November 2016	Nine-Month and Third Quarter Results for 2016

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