

Media & Analyst Conference Half-Year Results 2015



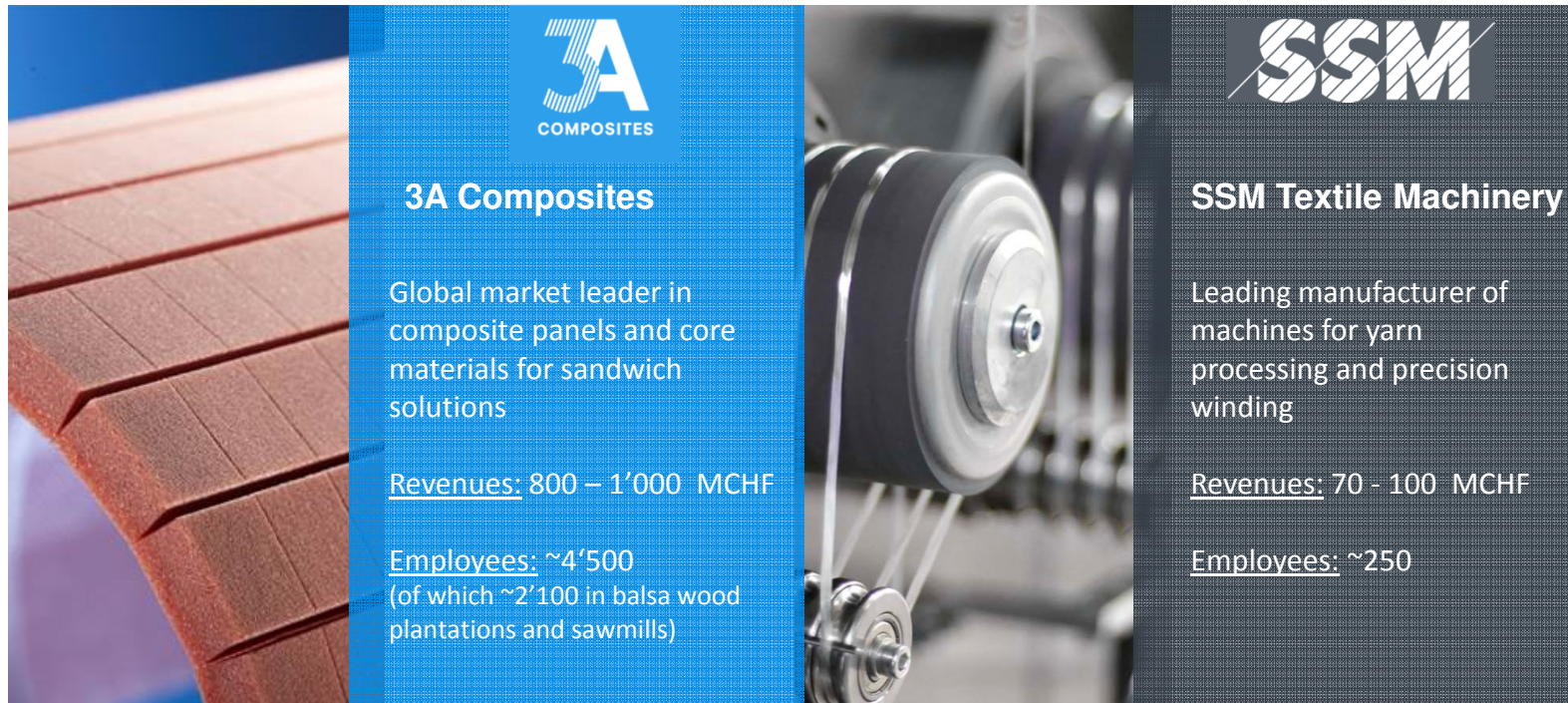
Zurich – August 20, 2015

Content

- 1 Welcome and Introduction
- 2 Half-Year Results 2015
- 3 Division Information / Update on Acquisitions
- 4 Strategic Focus
- 5 Outlook H2 2015



One Group – Two Leading Divisions



3A COMPOSITES

3A Composites

Global market leader in composite panels and core materials for sandwich solutions

Revenues: 800 – 1'000 MCHF

Employees: ~4'500
(of which ~2'100 in balsa wood plantations and sawmills)

SSM

SSM Textile Machinery

Leading manufacturer of machines for yarn processing and precision winding

Revenues: 70 - 100 MCHF

Employees: ~250

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Highlights H1 2015

3A Composites

- Increase of net sales of 22% in local currency, 5% organic growth and margin improvement
- Double-digit growth in Core Materials supported by a recovery of the wind segment in China
- Good performance of Architecture and Display in Europe & US, Asia Pacific lower
- High growth in Transportation (train & bus)
- Successful closing of three acquisitions in H1, integration well on track

SSM

- EBITDA margin at 12% despite lower volume and negative FX impact
- Increase of spare part sales
- Continuing success in the chemical fibers business

Group

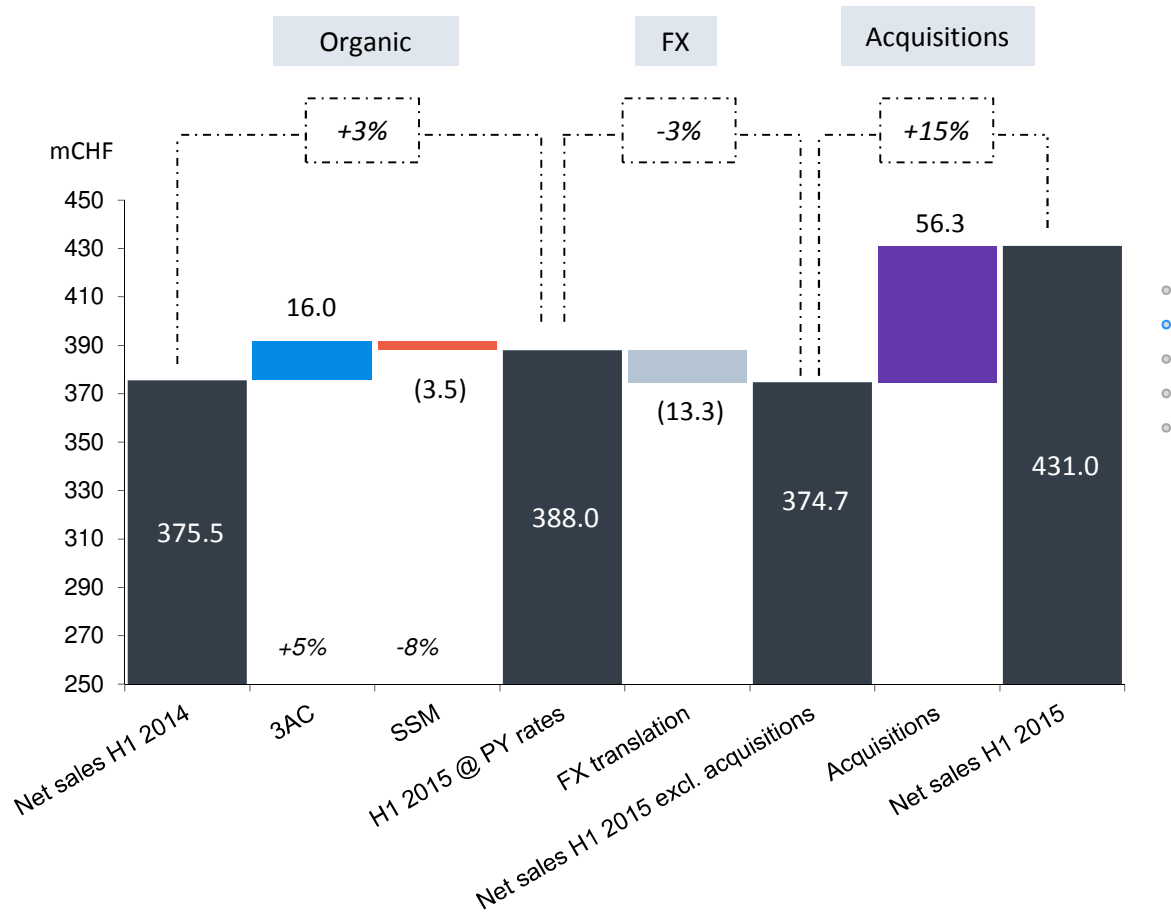
- Significant increase in net sales (+15%)
- EBIT increase of 10% despite negative FX impact and acquisition/integration costs of total approx. CHF 8 Mio.
- Solid balance sheet
- Cash position of CHF 120 Mio. (after payment of acquisitions and dividend)

Group Net Sales

Organic growth offset by negative FX translation. Acquisitions increase sales by 15%

5% organic growth of 3AC driven by Core Materials and Transportation

SSM affected by lower volume and FX related decrease in sales prices



Group Results

<i>in CHF Mio.</i>	H1 2015	H1 2014	Total 2014	H1/H1 %
Orders received	463.7	391.3	800.0	19%
Net sales	431.0	375.5	765.6	15%
EBITDA	43.8	40.3	81.7	9%
<i>in % of net sales</i>	10.2%	10.7%	10.7%	
EBIT	31.5	28.7	57.5	10%
Net income	18.7	20.8	45.5	-10%
Employees (end of period) ¹⁾	4810	2478	2764	94%

¹⁾ of which 2 120 employees (H1 2014: 560 employees) in balsa wood plantations and sawmills in Ecuador and Papua New Guinea

3A Composites Results

<i>in CHF Mio.</i>	H1 2015	H1 2014	Total 2014	H1/H1 %
Orders received	427.4	349.9	710.7	22%
Net sales	392.5	333.1	677.2	18%
EBITDA	40.6	33.8	70.1	20%
<i>in % of net sales</i>	10.3%	10.1%	10.4%	
EBIT	28.9	22.8	47.1	27%
Employees (end of period) ¹⁾	4552	2232	2514	104%

¹⁾ of which 2 120 employees (H1 2014: 560 employees) in balsa wood plantations and sawmills in Ecuador and Papua New Guinea

3A Composites Results

- Continuous strong market position in Core Materials. Significant increase in volumes & profitability supported by recovery of the wind segment in China
- Good performance of Architecture and Display business in Europe and US
- Architecture business in Asia and Middle East affected by project delays
- Increased demand for light weight solutions in mass transportation
- Overall good operating performance affected by strong CHF
- Successful acquisitions supporting market dominance in selected segments:
 - Polycasa - expansion of the display business
 - Plastwag - strengthening the transportation business
 - PNG Balsa - securing and expanding Balsa supply for Core Materials



SSM Results

<i>in CHF Mio.</i>	H1 2015	H1 2014	Total 2014	H1/H1 %
Orders received	36.3	41.4	89.3	-12%
Net sales	38.3	42.2	87.9	-9%
EBITDA	4.5	7.7	14.6	-42%
<i>in % of net sales</i>	11.7%	18.2%	16.6%	
EBIT	3.9	7.1	13.4	-45%
Employees (end of period)	252	240	244	5%

SSM Results

- Lower sales in H1 as expected due to reduced investment activities
- Continued strong market position in Asia
- Good performance in Middle East and promising business opportunities in South America
- Strong demand of the chemical fibres equipment extending the market position
- High volume of spare parts & services
- Cost savings and changes in the sourcing strategy implemented to compensate negative FX impact on profitability
- Continuous R&D efforts resulting in new machine platforms which will be presented at ITMA in Mailand



Strong Balance Sheet

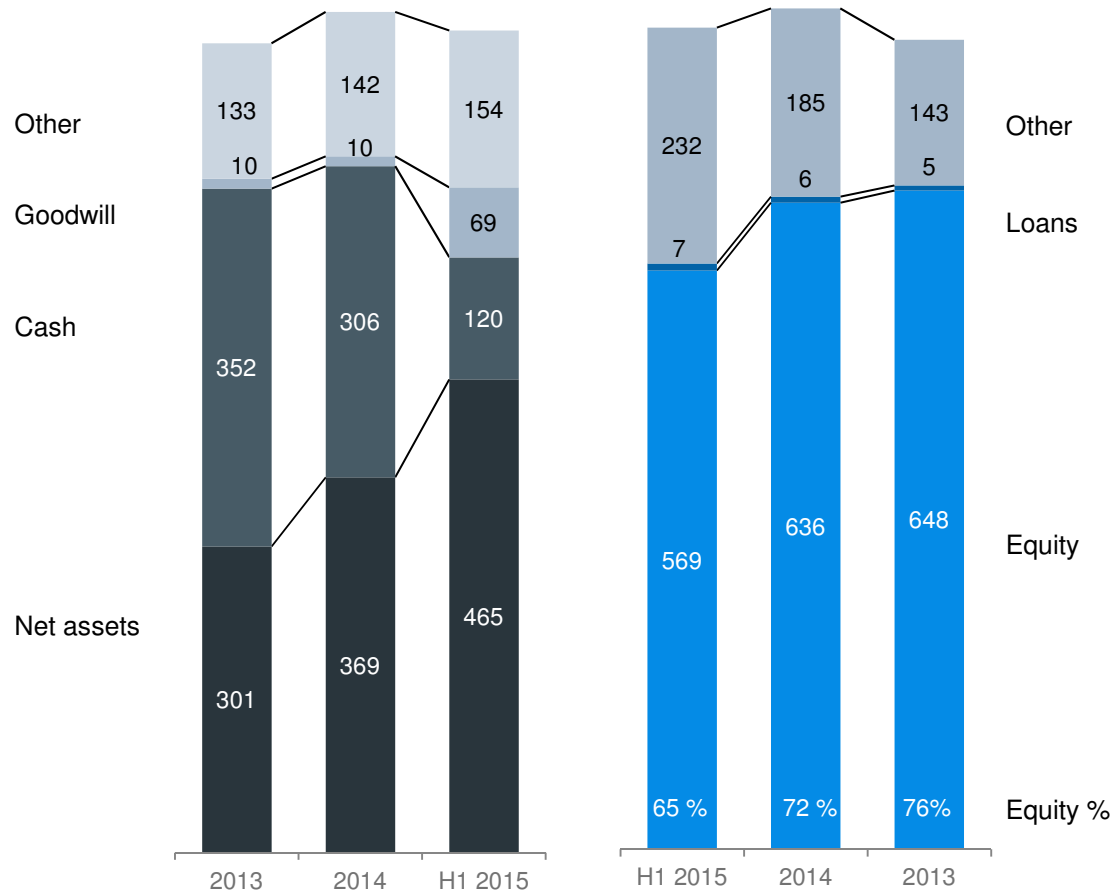
Cash position CHF 120 Mio.

Practically no short & long term bank liabilities

Goodwill increased to CHF 69 Mio. due to acquisitions

Shareholders' Equity CHF 569 Mio.

Equity ratio 65%



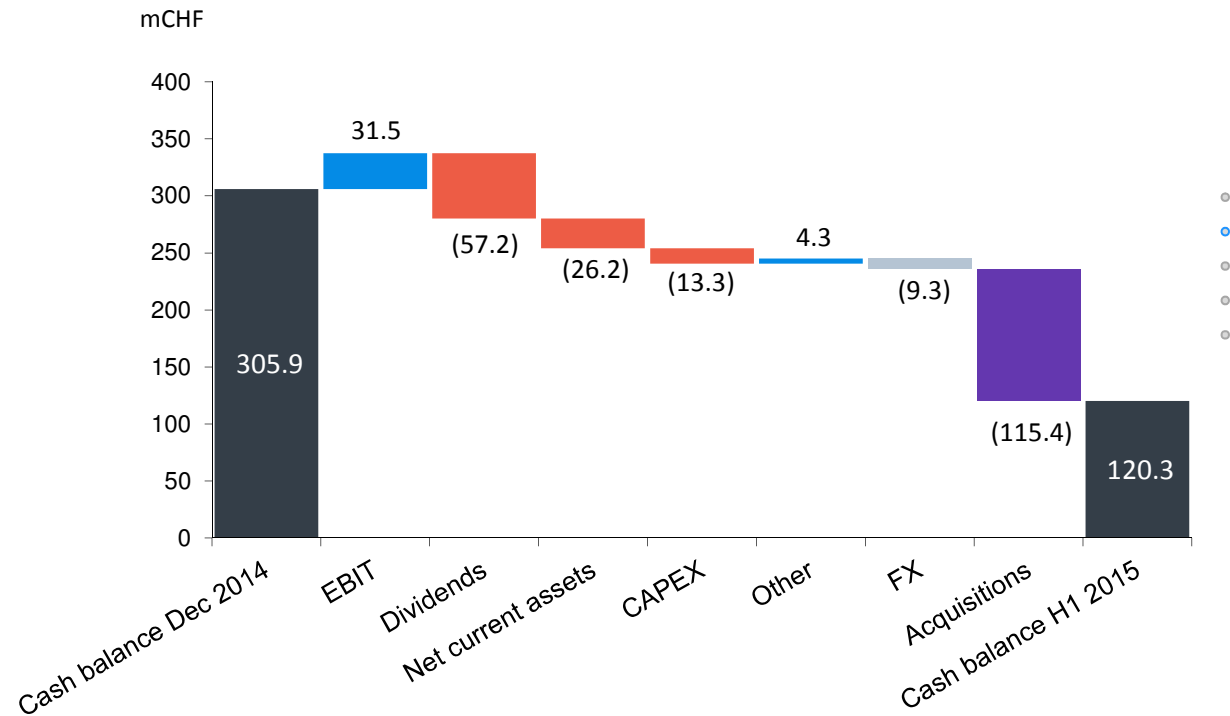
Cash development

Cash position CHF 120 Mio.

CHF 115 Mio. cash out for acquisitions

Dividend payment of CHF 57 Mio.

Increase in net current assets primarily due to organic growth (mainly expansion of business in China) and seasonal effects



Content

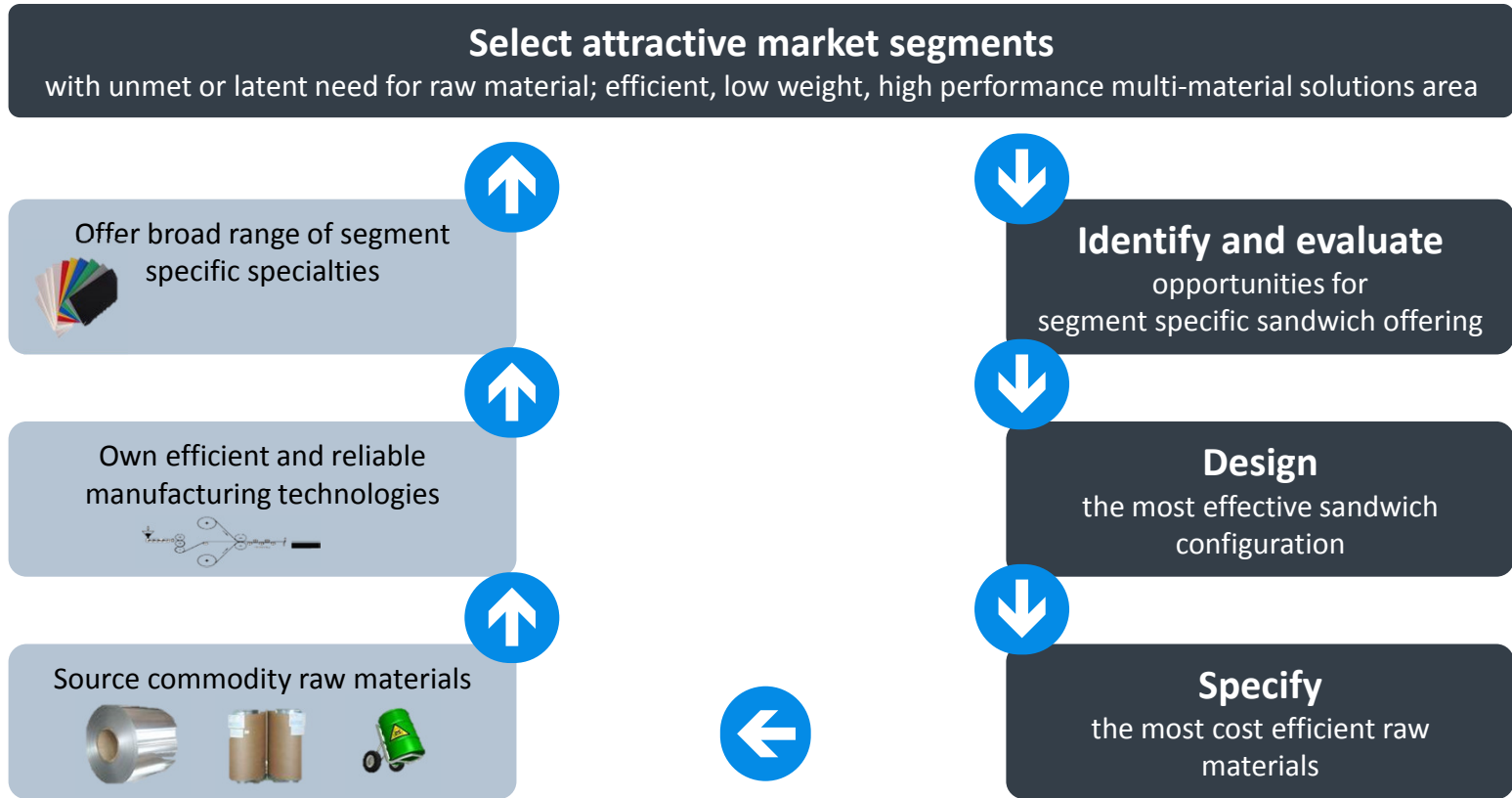
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3A Composites



3A Composites - Business Idea

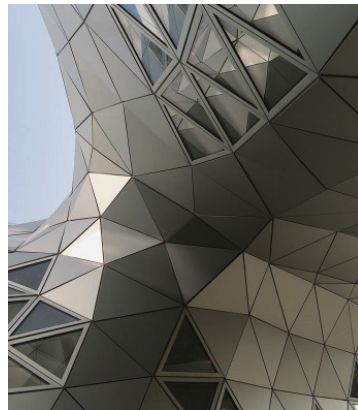


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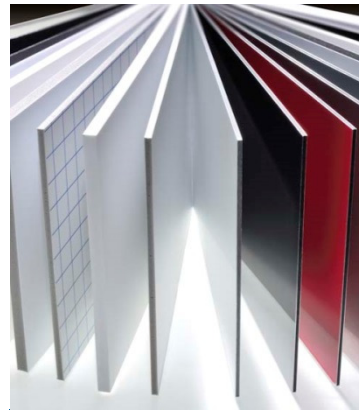
3A Composites – Market Segments



Core Materials



Architecture



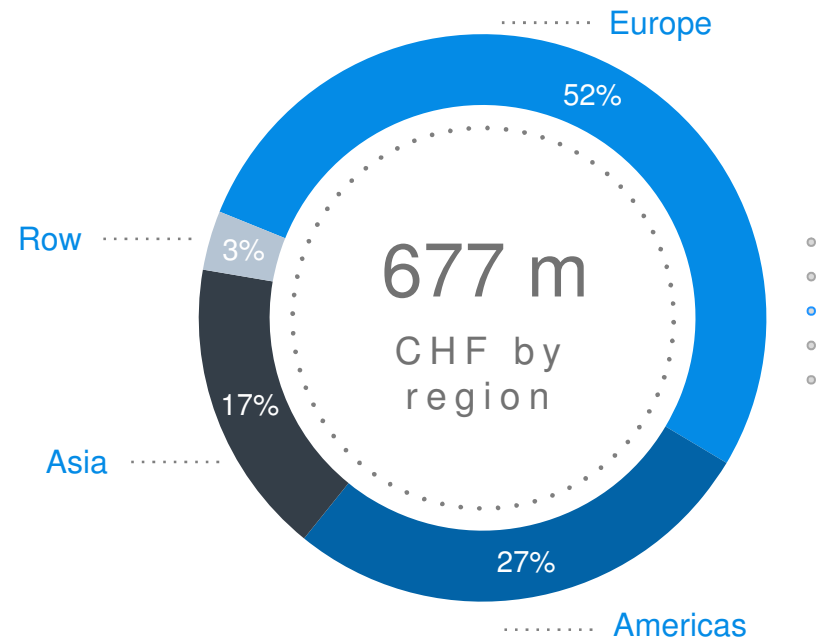
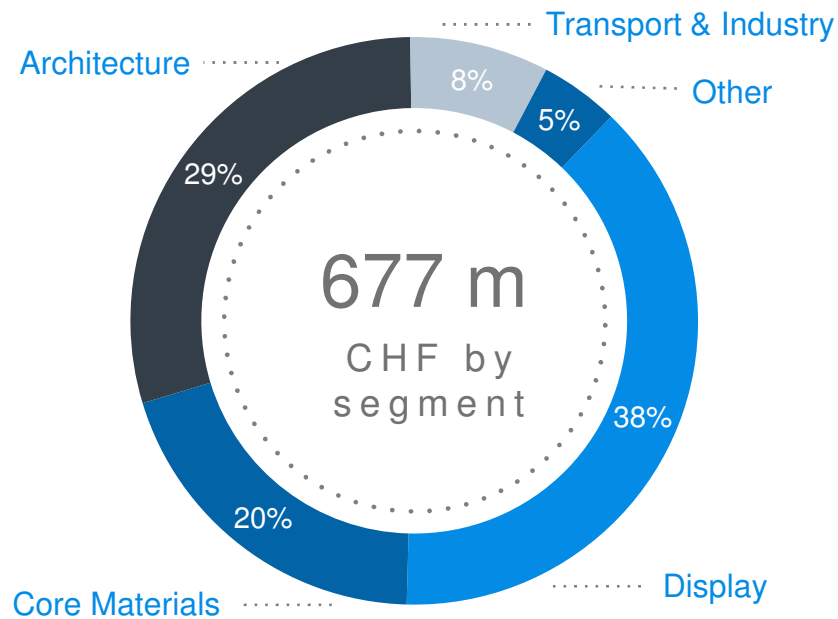
Display



Transport
& Industry



3A Composites Revenue Breakdown 2014



Polycasa



The largest independent European transparent plastic sheet manufacturer

Key facts

Closing date:
31.03.2015

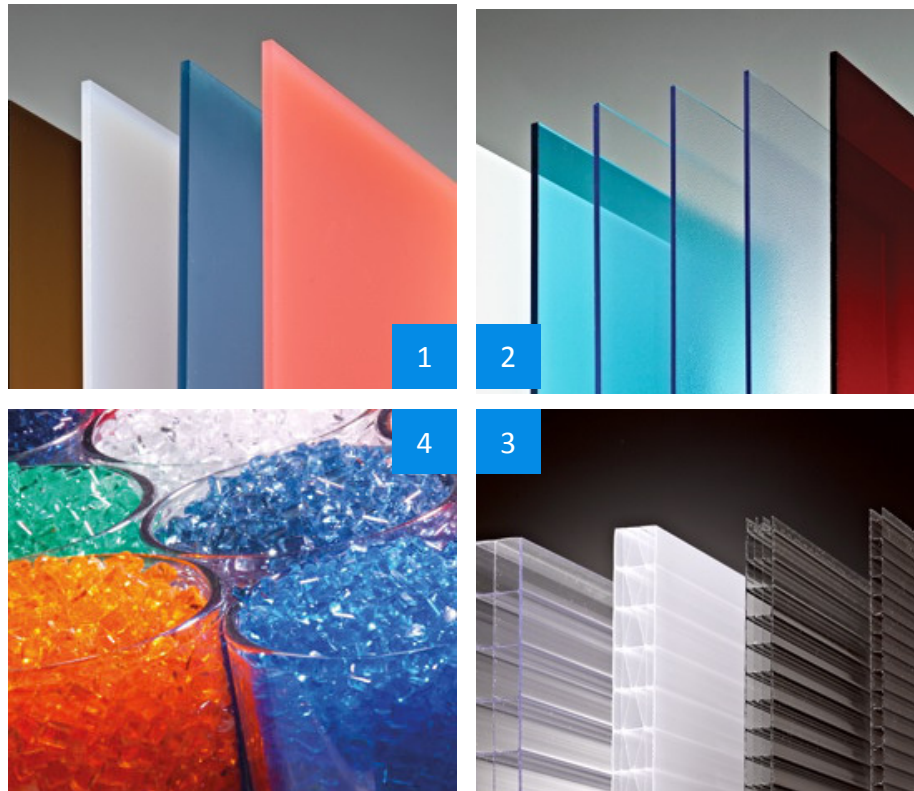
Net Sales 2014:
approx. EUR 180 Mio.

Net Sales since 31.03.2015:
CHF 54 Mio.

5 production sites in Europe

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Polycasa



Product solutions

1 Acrylics:

High-end sheet materials used in applications where appearance is important

2 Styrenics:

Sheet materials used in applications where low cost and attractive appearance are requirements

3 High impact:

Virtually unbreakable transparent sheets able to be easily and quickly moulded into complex shapes; as well as structured forms for lightweight and robust glazing applications

4 PMMA resins:

Thermoplastic moulding compounds suitable for applications in automotive, building, lighting, sanitary, household and medical

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Polycasa



Applications

1 LED lit visual communication
Polycasa Cast Lumina

2 Industrial (door) glazing
Polycasa SAN

3 Bus shelter and poster mount
Polycasa Extruded Acrylic

4 Light dome / roofing
Polycasa High Impact



Polycasa



Strategic fit

3A Composites: opaque sheet technology
Polycasa: transparent sheet technology

Complementary product range

Same markets and end users

Similar technologies to expand product offering

Innovation potential to address new applications / specialities



Plastwag S.A. (Poland)



Manufacturer of complete equipment of composite material used in rolling stock, i.e. railway wagons, electric multiple units, locomotives, trams and buses

Key facts

Closing date:
31.03.2015

Net Sales 2014:
approx. CHF 10 Mio.

Net Sales since 31.03.2015:
CHF 2 Mio.

Business:
60% FRP (interior parts, front ends);
40% Thermoforming (interior parts)

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Plastwag S.A. (Poland)



Glass & polyester lamination



Cutting plotter



CNC Milling



Wet coating

Strategic fit

Low cost production base in Eastern Europe

Access to the domestic and Eastern European Rail & Bus market

Getting closer to main customers in Germany, Poland, Belarus

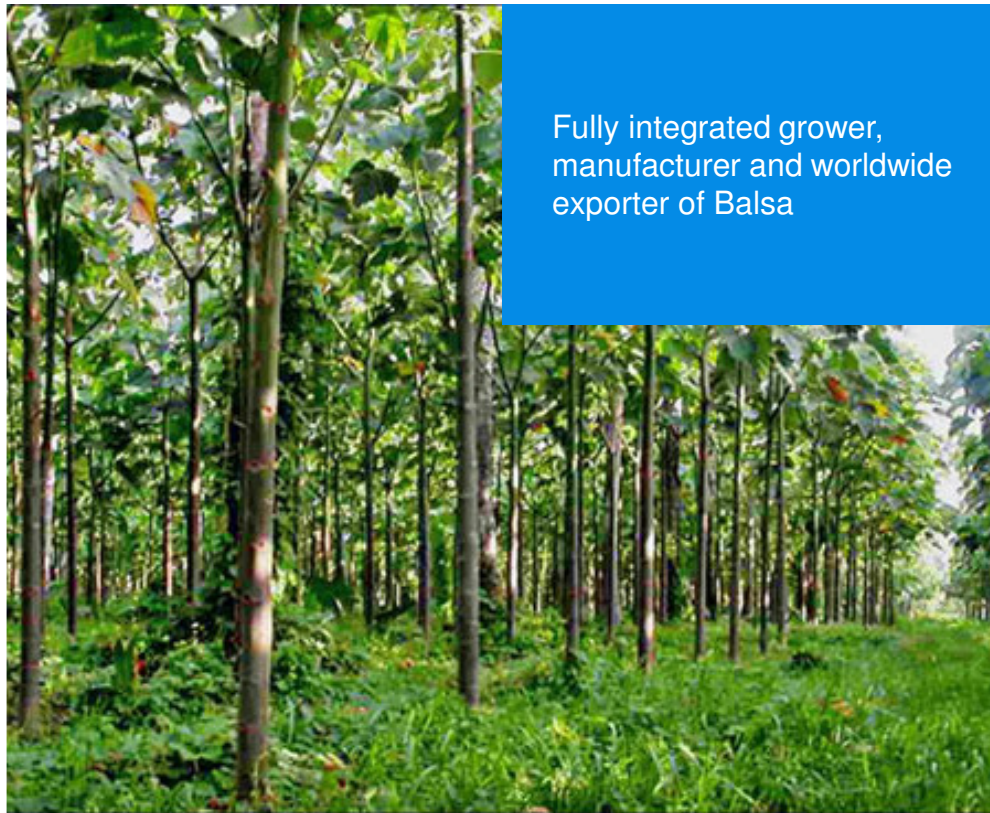
Similar technologies at lower cost level (VAC, hand lay-up)

Additional technologies to expand product offering (thermoforming, metal work, wet & powder coating)

Space available for high volume bus roof production

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PNG Balsa Company Ltd.



Fully integrated grower, manufacturer and worldwide exporter of Balsa

Key facts

Closing date:
30.06.2015

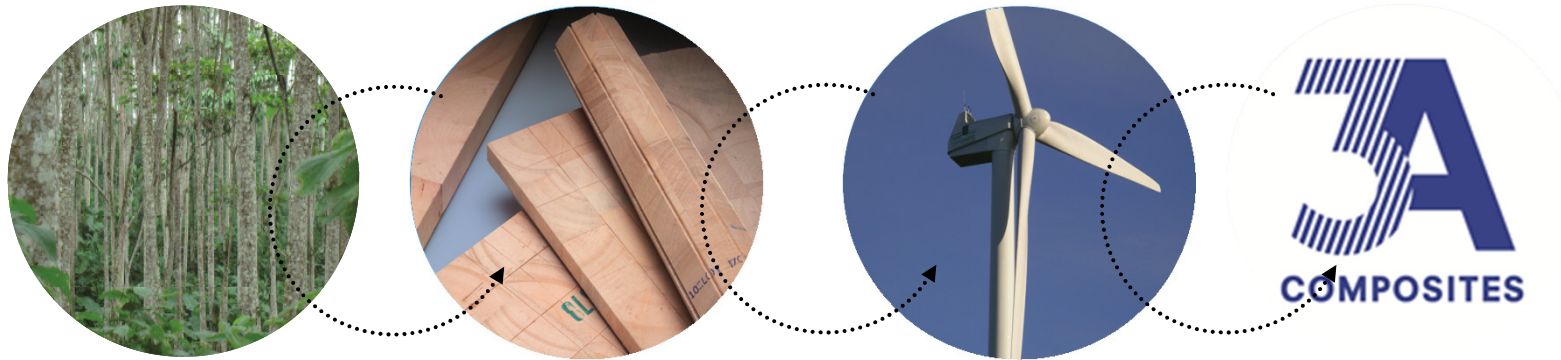
Net Sales 2014:
approx. CHF 13 Mio.

Globally recognized for unique and unmatched balsa quality

Securing 3A Composites' future supply of balsa wood

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Core Materials



Materials

Engineering Plastics

- Polyester (PET)
- Polyetherimide (PEI)
- Polyvinylchloride (PVC)
- Polystyrene (PS)
- Polyurethane (PUR)

Balsa

- Standard Balsa (Baltek SB)
- Premium Balsa (Baltek SBC)
- Veneer based Balsa (Banova & Baltek VBC)

Products

Structural Airex and Baltek Core Materials

- Plain Sheets
- Contour Core
- Kit

Banova FLEX Bending Plywood

Balsa PLY Panels

Applications

Structural and semi-structural sandwich applications

Wind Energy: Blades and Nacelles

Marine: Motoryachts, Sailing Yachts, Multihull

Road: Bus & Coach, Trucks, Vans & Recreational Vehicles

Rail: Highspeed, Intercity, People Mover

Aerospace:

Radome, Interior parts

Infrastructure:

Road & Pedestrian Bridges

Brands

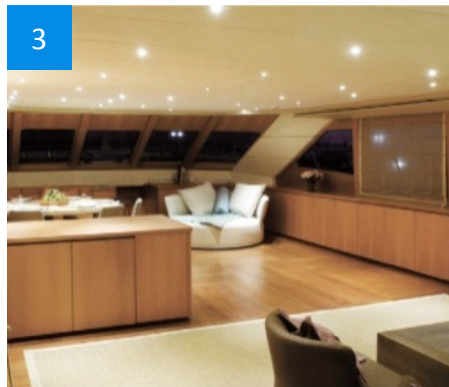
AIREX

BALTEK

BANOVA



Core Materials



References

1 SSP Technology A/S | Denmark
Root joints of rotor blades with
AIREX® T90.150

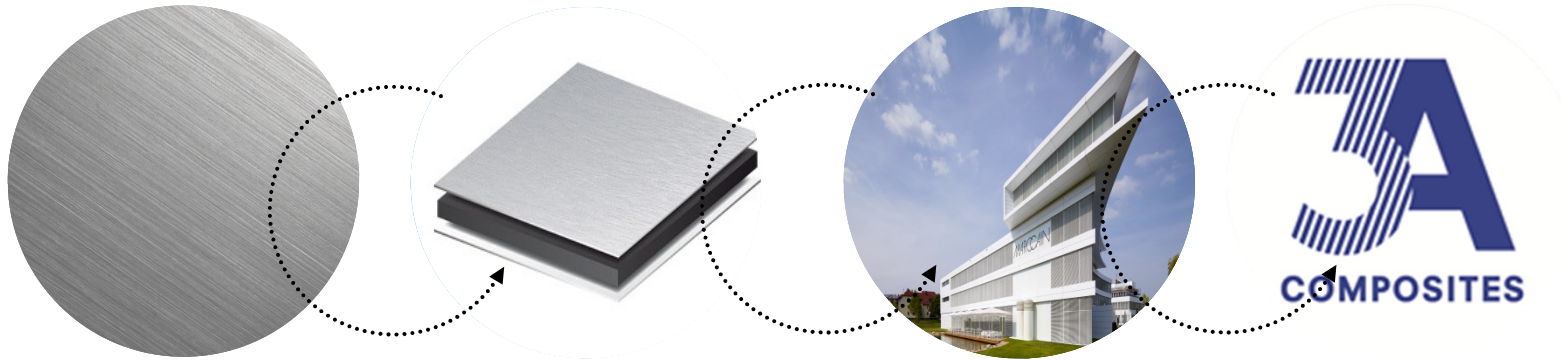
2 Sailing yachts and motorboats,
Bavaria | Germany
AIREX® C70

3 Interior & Furniture for Super yacht
BANOVA®

4 Plane „Ravin 500“ | South Africa
Wings: **AIREX® R63**
Fuselage and cabins:
AIREX® C70



Architecture



Materials

Skin Material

Aluminum sheets

Core Material

Polyethylene (PE)
 Fire Rated PE (Plus)
 Non Combustible PE (A2)
 Aluminum-Honeycomb

Products

Aluminium Composite Materials (ACM)

- Alucobond Standard Panels
- Alucobond Fire Rated Panels
- Alucore Honeycomb Panels

with a wide range of different surface design:

- Mill Finish
- Clear Coat
- Butler Finish
- Spectra Colours

Applications

Market Segments

- Sport, Airport, Public Space, Retail, Hotel, Hospital, Corporate, Residential

Applications

- Facades / Flying Roofs
- Exterior/ Interior Cladding
- Corporate Identity Signage

Brands

- ALUCOBOND®**
- ALUCOBOND^A2**
- ALUCOBOND^{plus}**
- ALUCORE®**



Architecture



References

1 Paläon, Schöninger Speere
Schöningen | Germany
ALUCOBOND® mirror

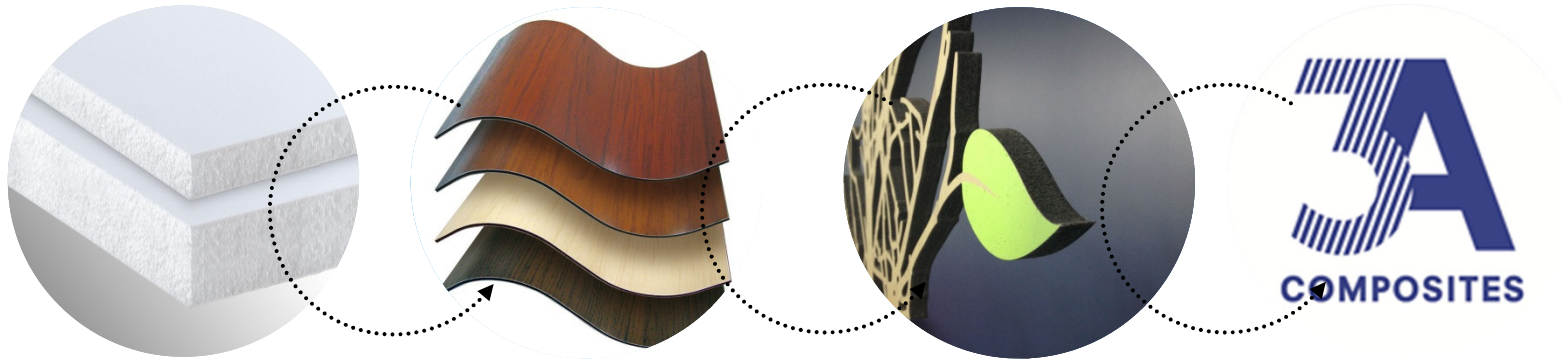
2 Film Museum
Shanghai | China
ALUCOBOND®

3 Paul F. Cullum Tower
North Bergen, New Jersey | USA
ALUCOBOND® spectra

4 Alborg House of Music | Denmark
©Duccio Malagamb
ALUCOBOND® naturAl brushed



Display



Materials

Skin Material
Coated Aluminum, Paper, Polystyrene, Coated Paper, PVC, Self adhesive Films

Core Material
Polystyrene (PS)
Polyurethane (PUR)
Polyethylene (PE)
Polypropylene (PP)
Aluminum-Honeycomb

Products

Aluminum Composite Materials (ACM)

Foamed Sheets

Foam Boards

Clear Sheets

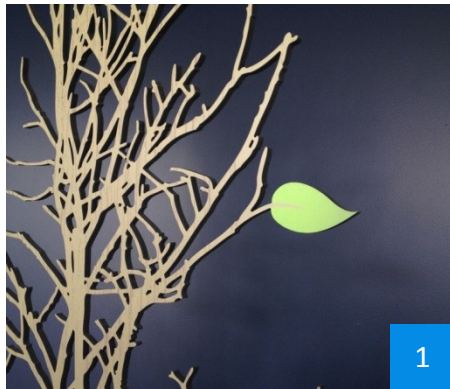
Applications

- Fotomounting
- Interior / Exterior Signs
- Routed Sign Faces
- POP Displays
- Exhibit Constructions
- Screen Printing
- Kiosks / Carts
- Dimensional Letters
- Digital Printing
- Shop Fitting

Brands

- | | |
|-------------------|------------------|
| DIBOND® | HYLITE® |
| FOREX® | SMART-X® |
| KAPA® | SINTRA® |
| FOAM-X® | FOME-COR® |
| GATORFOAM® | |
| FOAMALITE® | |
| POLYCASA | |

Display



References

1 Tree display
CSI Printing & Graphics | USA
GATORFOAM®

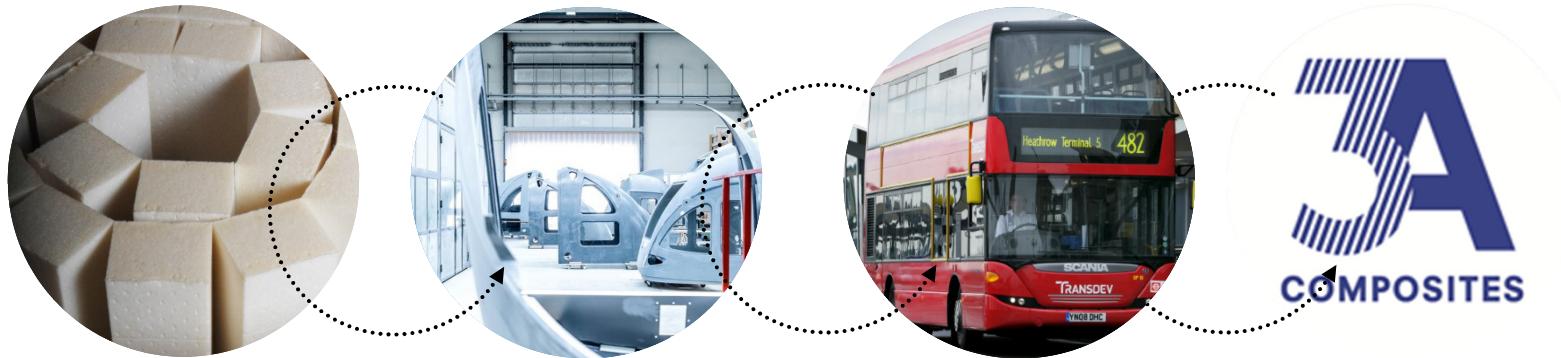
2 Shop window, Mode Zinser
Singen | Germany
GATORFOAM®

3 C&A Signage
Düsseldorf | Germany
KAPA®

4 American Swiss Shopfront | USA
DIBOND®

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Transport & Industry



Materials

- Engineering Foams
PET, PVC, PUR, PEI
- Balsa based Core Materials
- Balsa Plywood Panels & Bending Plywood
- Aluminium Composite Material (ACM)
- GRP Sandwich Material
- Aluminium Honeycomb Panels
- Lightweight Foamboards

Products

- 3D Front Cabins for Railway Vehicle
- Structural Aluminium-Foam Sandwich Elements
- Sandwich Solutions with integrated Functions (e.g. floor heating)
- Interior Parts
- Headliners and Roof reinforcements for Automotive
- Insulation solutions
- GRP Sandwich Rotorblades

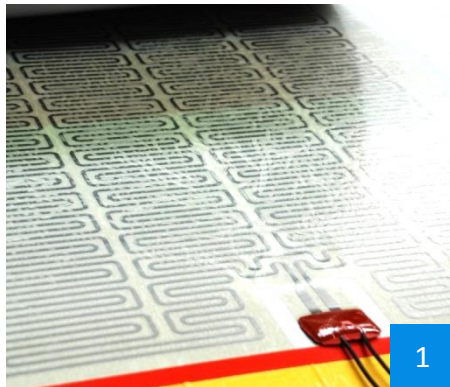
Applications

- Railway Body Shell (Roofs, Floors, Cabins)
- Bus & Coach Roof and Floors
- Automotive Headliner and Interior
- Recreational Vehicle & Marine Furniture
- Insulated Truck Walls and Floors
- Air Conditioning Equipment
- Building Interior
- Ski and Snowboards

Brands



Transport & Industry



Products

1 **COMFLOOR®**
Integrated Floor Heating System

2 **INNOCAB®** Front Cabin
Sandwich-panel structures made of fiber-reinforced plastic

3 **KAPA®** Term automotive DVDs

4 **XBODY®** sandwich parts

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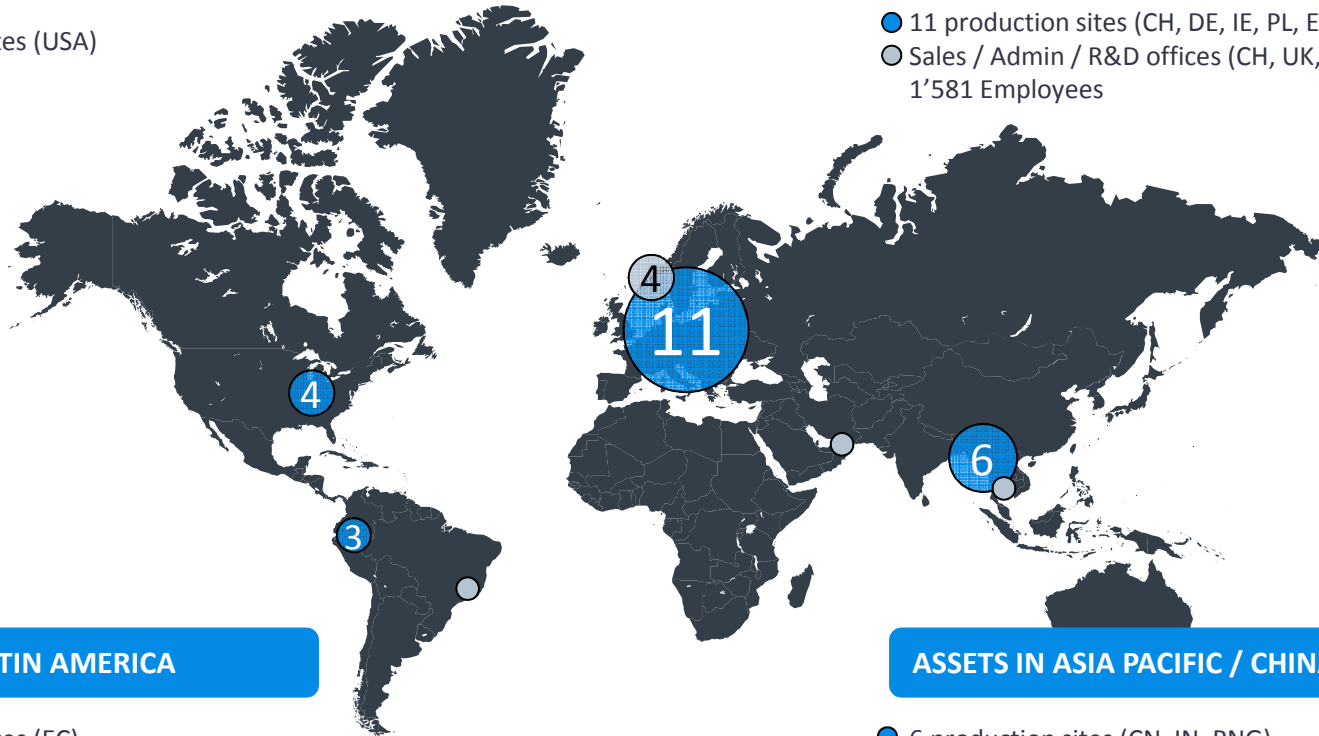
Strong Global Presence

ASSETS IN NORTH AMERICA

- 4 production sites (USA)
329 Employees

ASSETS IN EUROPE

- 11 production sites (CH, DE, IE, PL, ES, CZ, SK)
- Sales / Admin / R&D offices (CH, UK, BE)
1'581 Employees



ASSETS IN LATIN AMERICA

- 3 production sites (EC)
- Sales office (BR)
106 plantations; 9'298 ha in Ecuador
860 Employees

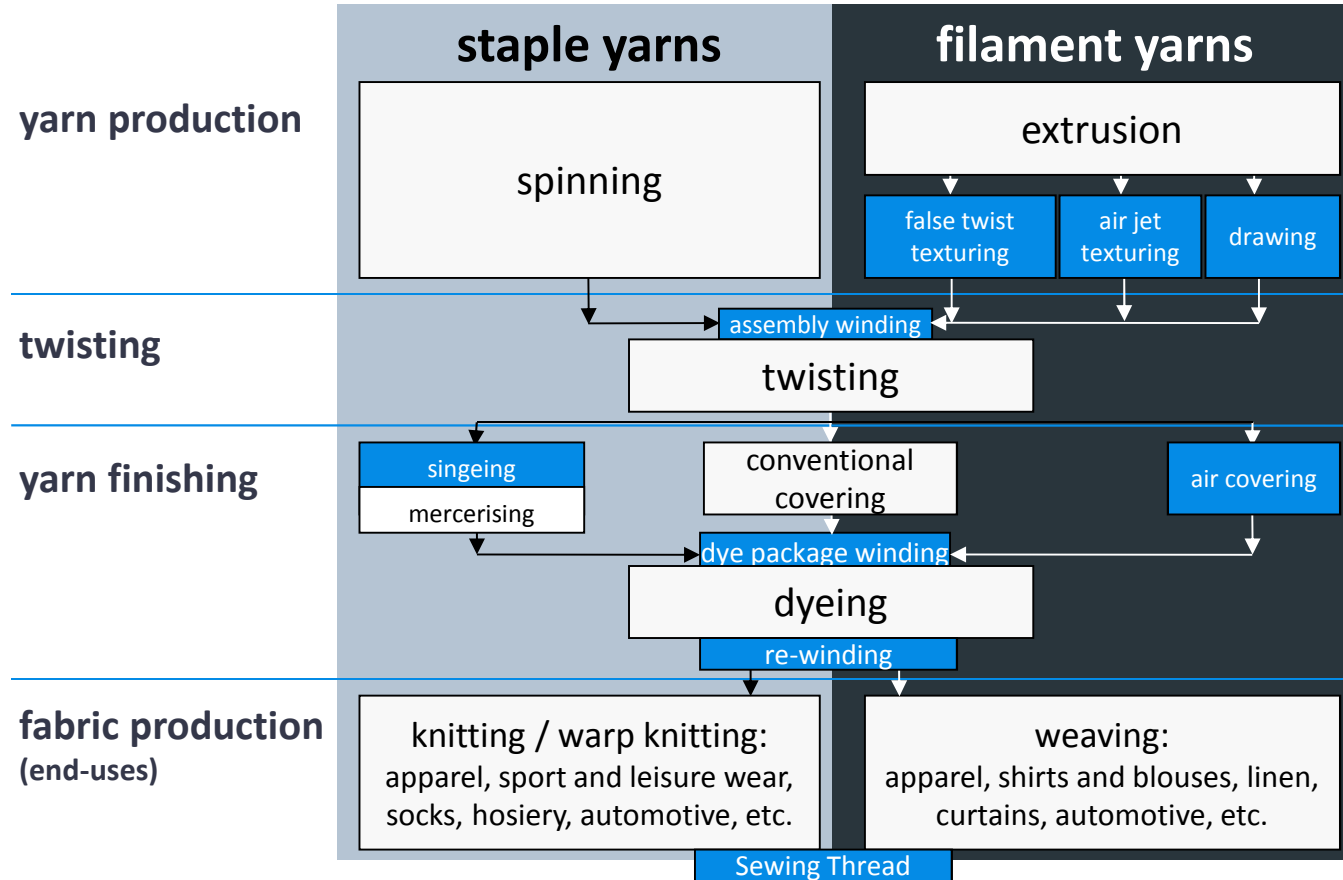
ASSETS IN ASIA PACIFIC / CHINA

- 6 production sites (CN, IN, PNG)
- Sales office (SGP, UAE)
1'782 Employees

SSM Textile Machinery



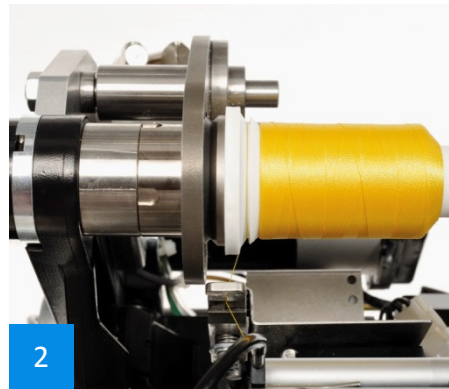
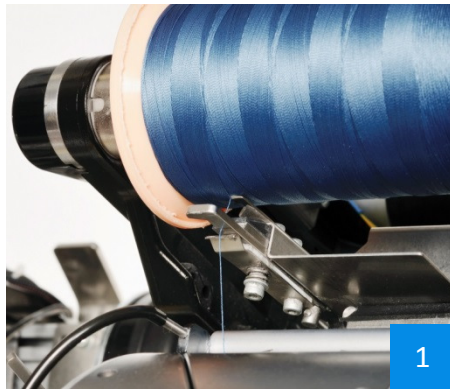
SSM - Strong niche positions in the production chain



All blue marked areas are supported by SSM equipment

SSM Textile Machinery

Products



1 Sewing Thread Finish-Winding
Kingspool / SSM TK2-20 KT

2 Sewing Thread Finish-Winding
**Kingspool with «Snap» /
SSM TK2-20**

3 Air Texturing
Glass fibre / SSM DP5-T

4 Italian Factory, SSM GIUDICI
TG.30 / False Twist Texturing

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Strong Global Presence



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Strategic Focus

- General strategy considerations:
 - Continue to invest in attractive industrial activities with growth potential
 - Apply proven concepts of innovation management, supply chain management, direct marketing/sales organization and lean structures
- Focus on Composite business as dominant business field
- Empower acquired companies to support the Composite business model
- Cash position & debt capacity allow further acquisitions in current and new business fields
- Attractive dividend / payback of free cash to shareholders



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Outlook H2 2015

General

- Good performance for H2 2015 expected, at least at H1 level
- Organic growth in 3AC partially offset by negative FX effects
- FX impact:
 - Transaction exposure limited predominately to CH sites due to natural hedge positions; counter measures implemented with full effect to be realized in H2
 - Translation exposure: negative translation effects from reporting currency CHF partly compensated by recent decrease of CHF FX rate
- Full positive effect of acquisitions in H2

3A Composites

- Global Wind business expected to remain on high levels
- Positive outlook for Architecture and Display business in the main markets, deferred projects in Asia Pacific should materialize in H2
- Continued solid demand for light weight solutions in mass transportation; restructuring cost for business transfer

Outlook H2 2015

SSM Textile Machinery

- Solid performance for H2 2015 expected, at similar level than H1
- Upside potential in the chemical fibers due to expected market recovery
- OPEX improvements to be fully effective in H2
- Innovations marketed after the ITMA 2015 in autumn



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