



Masterflex Group

Fiscal Year 2018

Financial Figures



Continuation of growth course for 9th consecutive year

- Uninterrupted momentum in key sales markets such as aviation and aerospace, medical technology and the automotive industry as well as in most regions
- Sustained growth in order intake
- Organic revenue growth of 3.4 % slightly below expectations
 - Delayed revenue recognition (in particular due to high sick leave rate)
 - Result: unusually high order backlog and increased inventories of finished products
 - Adjusted for currency effects, the revenue target would have been achieved
- Earnings development affected by delayed revenue recognition
- Operating EBIT within the target corridor adjusted during the year

Revenue growth of 3.4%

Key figures

in € million

	2017	2018
Revenue	74.7	77.2
EBITDA	10.3	9.6
EBIT (operating)	7.1	6.3
Consolidated net income	4.3	3.4
EPS (in €)	0.45	0.35

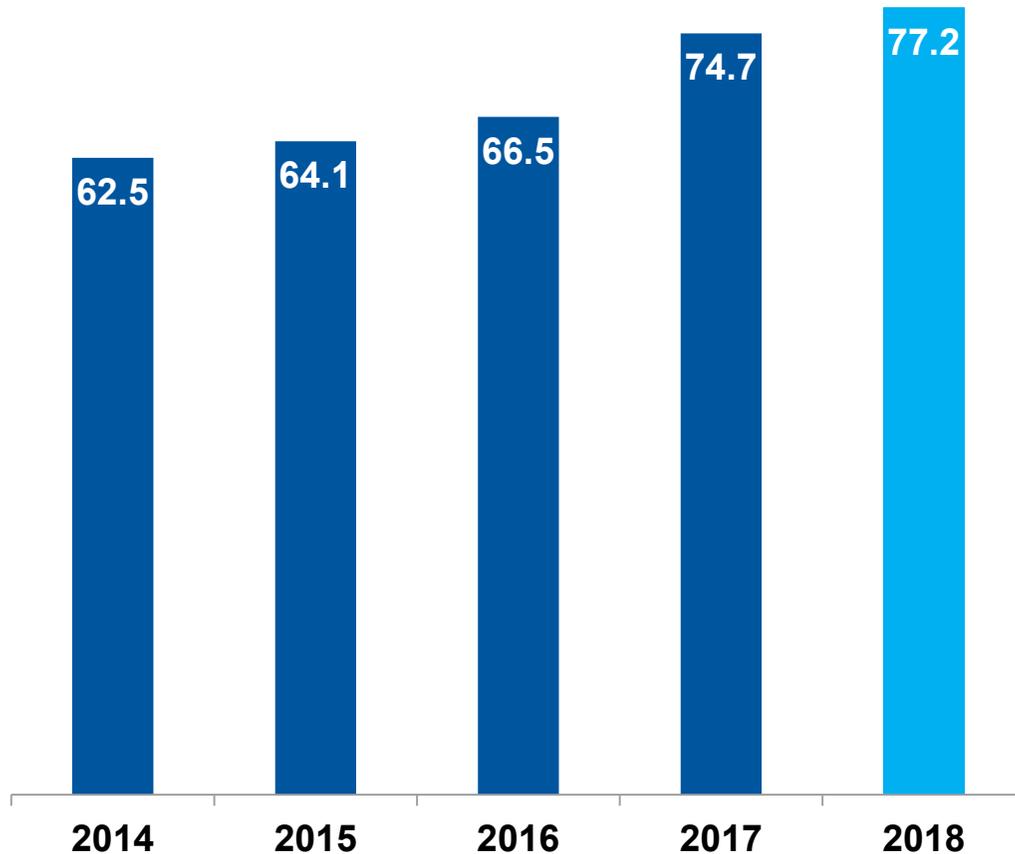
Continued revenue growth

- Earnings development influenced, among other things, by high sick leave and corresponding personnel measures
- EBIT margin at 8.1%
- Continuation of active dividend policy with simultaneous strengthening of equity
- Proposed dividend of € 0.07 per share

9th year in a row with revenue growth

Consolidated revenue

in € million



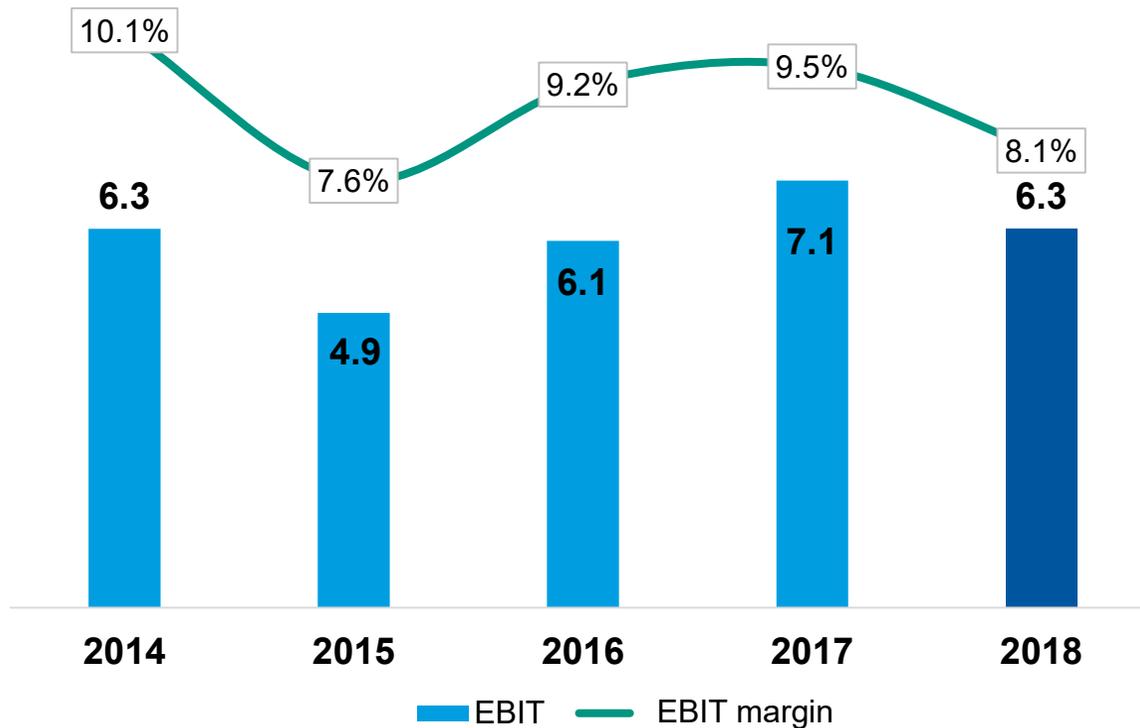
Intact long-term growth curve

- Revenues slightly below forecast of € 78 to 80 million
- Revenues increase of 3.4 % (PY: 12.3 %; of which 2/3 due to M&A)
- Organic growth almost at previous year's level
- Growth on a broad basis and at almost all locations

Operating result inline with adjusted forecast

Consolidated EBIT and EBIT margin (operating)

in € million



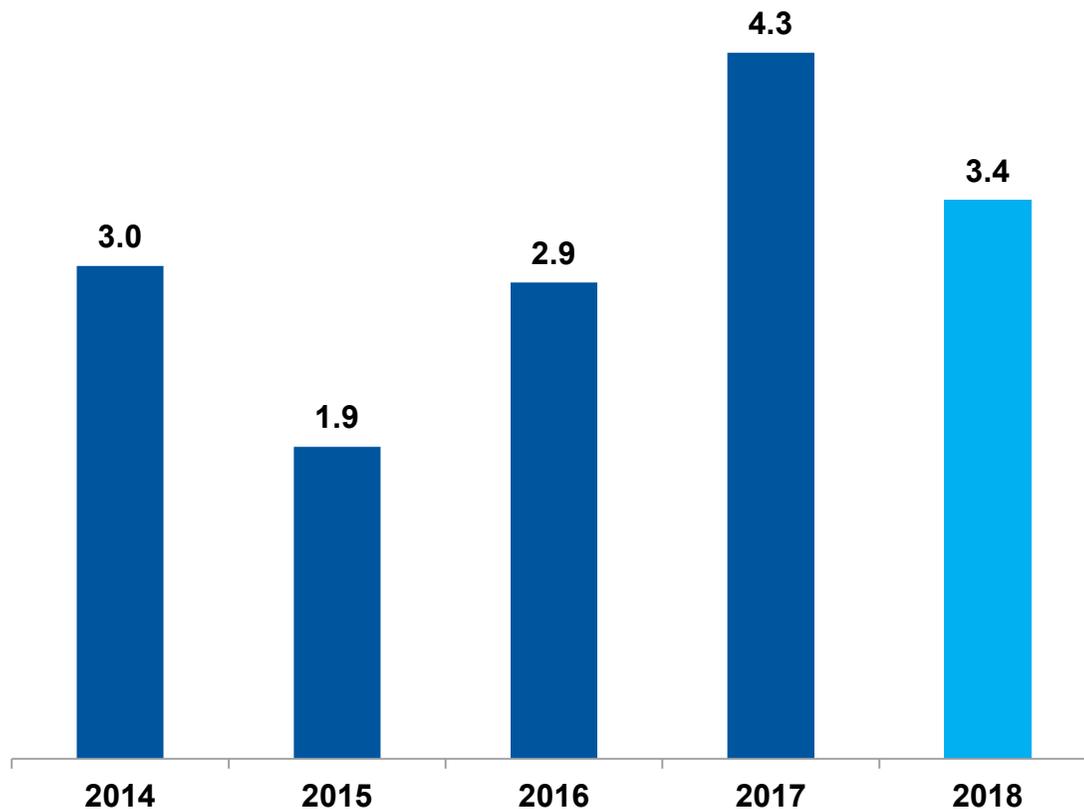
Profitability affected by delayed revenue recognition

- 2018 Earnings development inline with adjusted forecast and below previous year's forecast
- Burdens from raw material prices and lower personnel productivity
- Cost of materials ratio: 31.9% (previous year: 32.2%)
- Personnel expense ratio: 38.9% (previous year: 37.8%)

Net income enables continuation of dividend policy

Consolidated net income

in € million

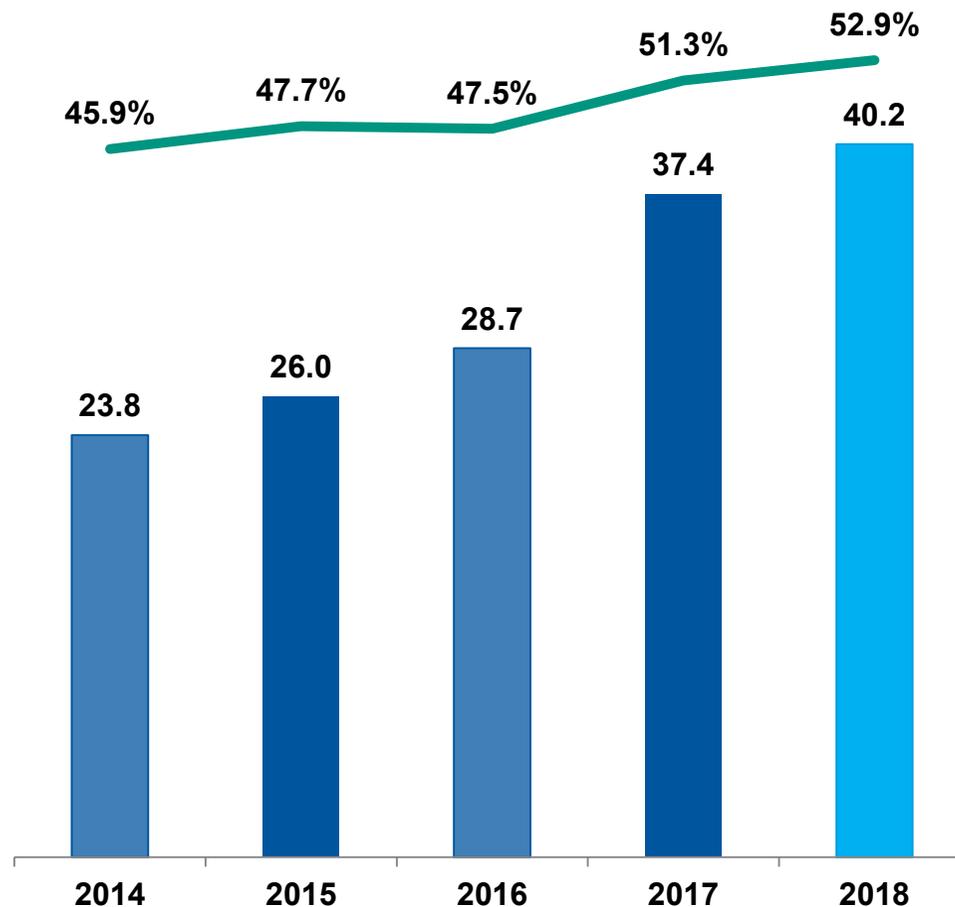


Net income dampened by tax effects

- Financial result: € -1.1 million (previous year: € -1.2 million)
- Earnings per share: € 0.35 (previous year: € 0.45)
- Additional tax effects from reduction of deferred tax assets
- Dividend proposal: 7 ct/share (previous year: 7 ct/share)
- Continuation of dividend policy: constant distribution at level at least as high as previous year

Consolidated shareholders' equity & equity ratio

in € million



Further increase in equity

- Solid earnings performance in 2018
- Equity ratio of Masterflex SE at 62.4% (previous year: 60.3%)
- Solid basis for further growth and continuation of dividend policy

Cash flow & investments

in € million

	2017	2018
Operating cash flow	8.3	4.7
Cash flow from investment activities	-13.4	-5.2
Cash flow from financing activities	6.9	-0.8

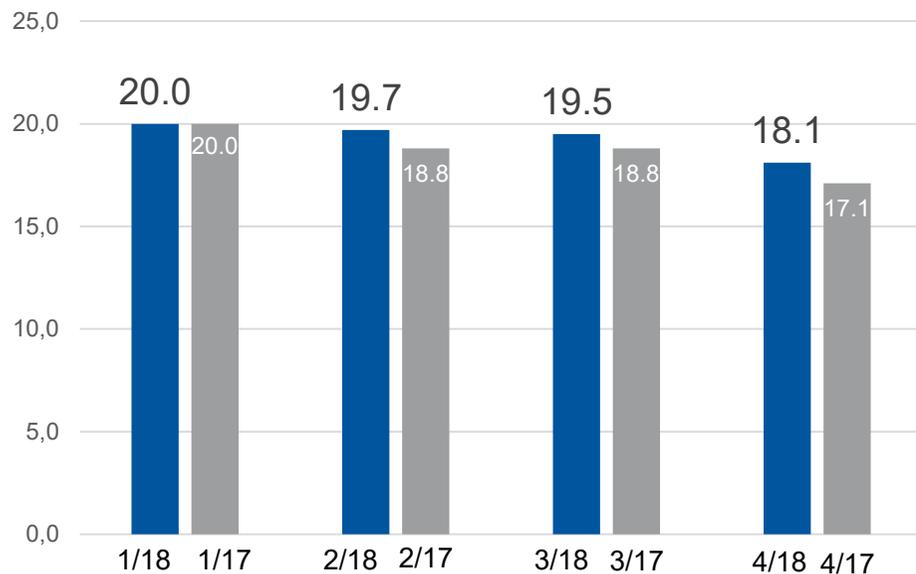
Internal financing strength remains solid

- Solid development of operating cash flow overshadowed by special effects in 2018
- Operating cash flow impacted by higher inventories and receivables and closed legal dispute
- Normalisation of investments in 2018; capital expenditures 2016 and 2017 well above multi-year average due to expansion of the Gelsenkirchen site and acquisition of APT

Single quarters 2018: potential for 2019

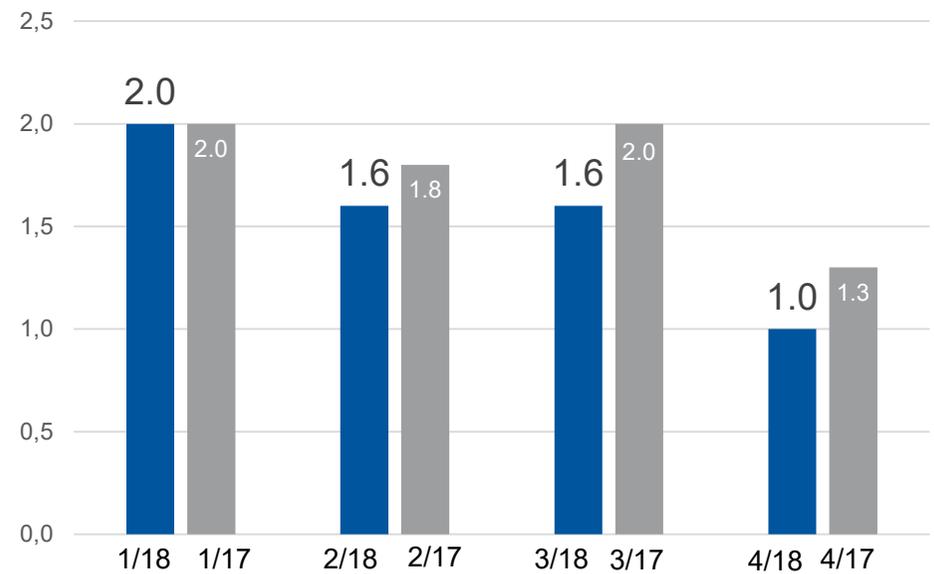
Revenue by quarter

in € million



EBIT by quarter

in € million



Potential for further growth

- Dampening effects on revenue momentum lead to high order backlog as of 31.12.
- 4th quarter 2018 clearly below expectations

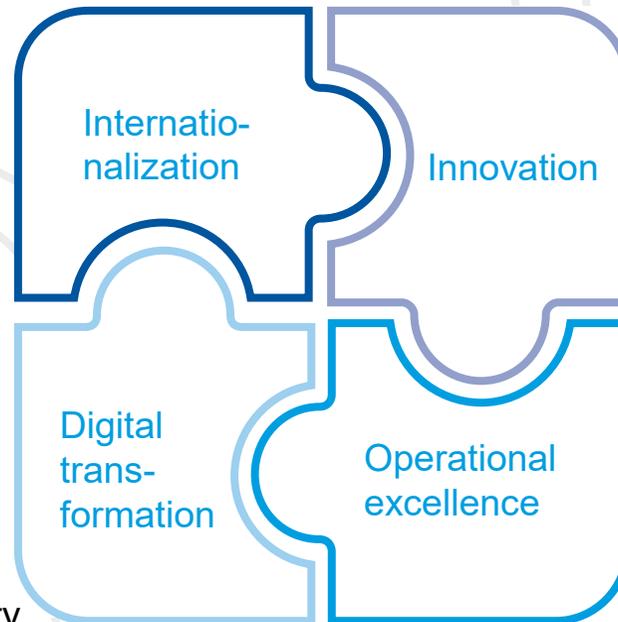


Growth Strategy

NOVOPLAST
SCHLAUCHTECHNIK

- Developing disproportionately high potential in America and Asia
- Stronger revenue balance between Europe and America/Asia

- Digitization of own products
- Creating new service offerings
- Industry-4.0-capable machinery
- Increasing the company's agility



- Expanding technology leadership
- Highest customer proximity in development work
- Leading solutions for flexible connection systems with high-tech plastics

- Basis for profitable growth with revenue of over € 100 million
- Measures for scaling and improving efficiency
- New areas of expertise



Network-compatible and intelligent hoses

- Implementation of added digital functions
- Customer- and application-specific added value
- Nucleus for smart services
 - with potential for new business models
- First pilot projects in implementation since 2018
- R&D focus in 2018

Criteria for acquisitions in the hoses market

- **Business model:** Target company develops or manufactures hoses, hose systems or connection systems, or materials/components for those products
- **Materials expertise:** Focus on high-tech plastics and other synthetic polymers
- **Regional focus:** Regions of the internationalization strategy
- **Customer sectors:** Focus on “white” industries (medical technology, food, pharmaceuticals)
- **Profitability:** Focus on sustainable and good EBIT margins
- **Products:** Supplementing the Masterflex Group portfolio



Outlook

Forecast for 2019

- **Revenue growth** of between 3% and 6%
(i.e. revenue of between € 79.5 million and € 81.8 million)
- Measures in 2018/2019 will allow **operating EBIT** to grow again
- **EBIT margin** of recently 8.1 % expected to increase slightly

Mid- and long-term perspective

- Comprehensive **package of measures** with focus on subsidiaries with EBIT margins below 10%
→ detailed presentation in summer 2019
- **EBIT margin** back **above 10 %** from 2020 (after adjustments for realignment costs);
above 10 % from 2021 (without adjustments)
- **Market leader** in all addressed markets
- Growth also through further **acquisitions** on the market





Thank you very much
for your attention!

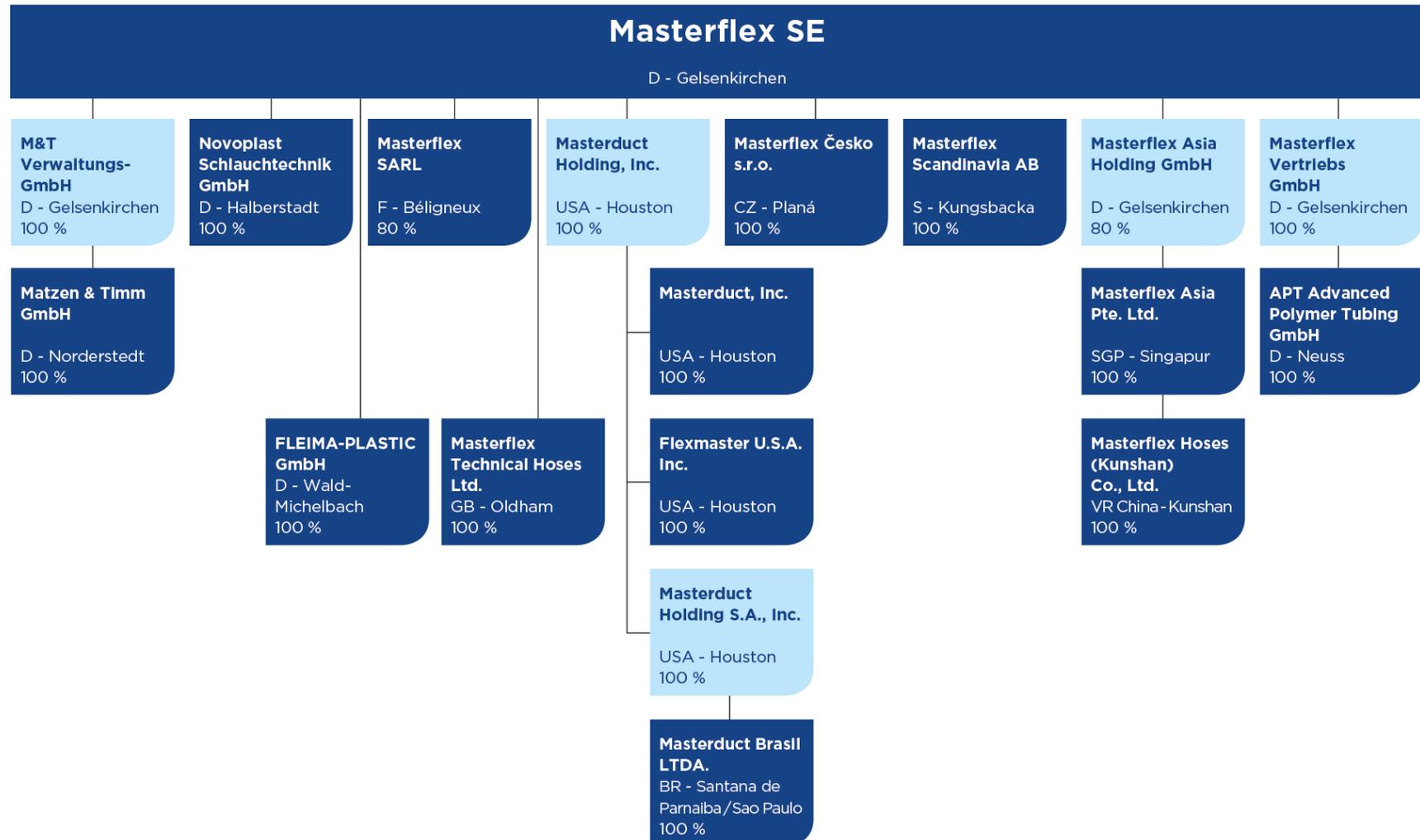
Financial Calendar 2019

29 March	Annual report
10 May	Q1/2019 press release
14-15 May	Spring Conference, Frankfurt
28 May	Annual General Meeting, Gelsenkirchen
9 August	Half-year report 2019
8 November	Q3/2019 press release
25 to 27 November	Deutsches Eigenkapitalforum

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CFO	Mark Becks
IR	Frank Ostermair (Better Orange)

Organizational chart of the Group



Appendix: Masterflex Group's Boards

Executive Board



Dr. Andreas Bastin
Chairman (CEO)



Mark Becks
Finance (CFO)

Supervisory Board



Georg van Hall
Chairman



Dr. Gerson Link
Deputy Chairman



Jan van der Zouw
Member

Appendix: Legal Notice

This presentation contains forward-looking statements about future developments which are based on management's current estimates and forecasts. Such forward-looking statements can be identified by words such as "expect," "would," "might," "as high as," "possibly," "assume" and similar words. These statements are subject to risks and uncertainties. If one of these uncertainty factors or other unpredictable events arise, or if the assumptions underlying the statements prove to be incorrect, actual developments may deviate materially from those specified in these statements or from the potential developments implicitly expressed in the statements. The company does not intend and assumes no obligation to routinely update forward-looking statements, as these are based exclusively on circumstances as of the date of their publication.

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