

Financial Results Press Conference 2021

21 April 2021

Global economy hit hard by COVID-19



- GDP in Germany down by 4.9% – investments in machinery and equipment, a key area for SIMONA, fall by 12.1%
- Economic output in the euro area declines by 6.6%

Europe



- Economy proves more robust despite world's highest infection rates – down by "just" 3.5 per cent
- Relatively stable investments in machinery and equipment and consistent private consumption

Americas



- Asia-Pacific markets with smaller declines than established economies
- China was the only major economy to grow in 2020 (+2.3%)
- Strong demand for medical and computer equipment

Asia & Pacific

Business Performance 2020

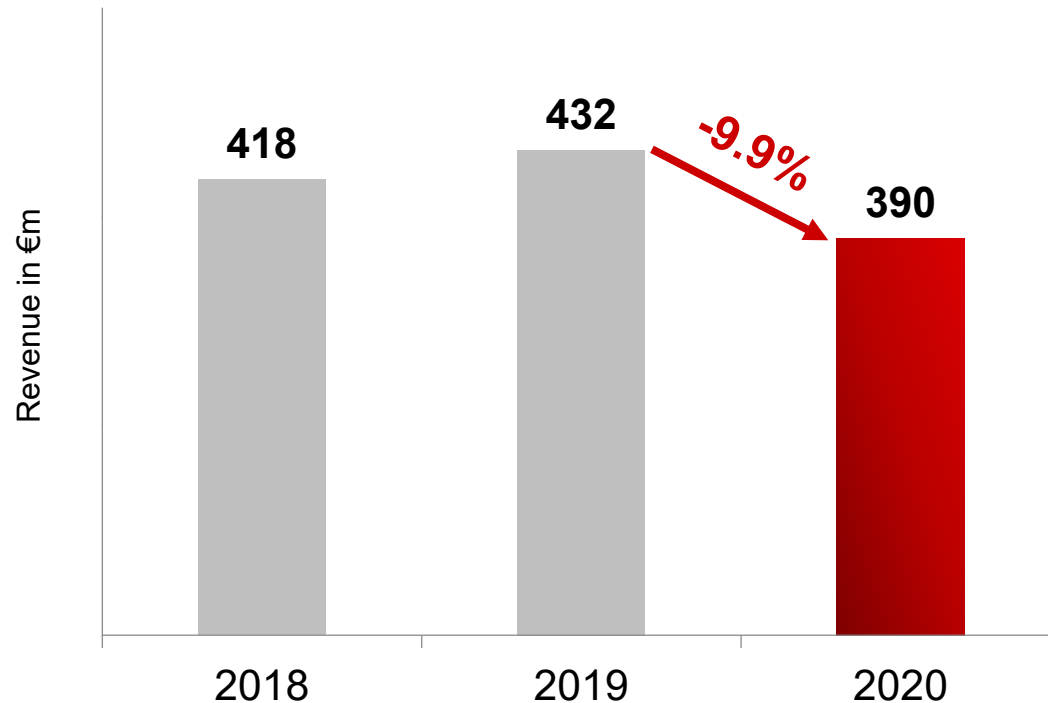
The financial year summed up

**"Solid earnings despite
significant decline in revenue"**

Business Performance 2020

COVID-induced decline in revenue

Revenue SIMONA Group



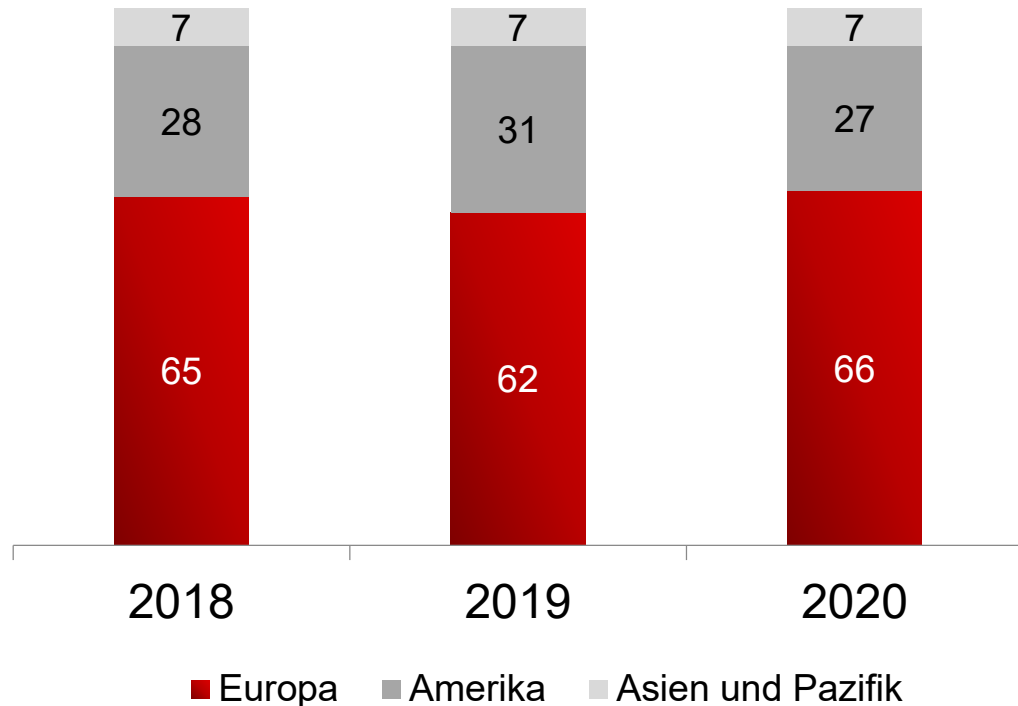
Sales revenue

- €389.8m (-9.9%)
 - €-5.1m pipes and fittings business
 - €-37.6m semi-finished products business
 - €+5.0 million first-time consolidation of SIMONA Stadpipe (6 months)
- Forecast (March 2020) of €430-440 million not achieved – no further forecasts due to considerable economic uncertainties
- Decline in revenue kept within limits thanks to broad diversification and global efforts to focus on growth niches (hygiene protection, medical devices, construction)

Business Performance 2020

Sales regions affected to varying degrees by COVID-19

Revenue by region (in %)



Europe

€257m (-4.8%)

- Moderate declines thanks to broad diversification in semi-finished products business
- Boost from transparent sheets used as hygiene protection screens
- Stable pipes and fittings business in Central Europe due to robust construction market

Americas

€104m (+21.2%)

- Highest revenue losses worldwide
- Slump in business relating to sheets for aircraft interiors
- Growth in classic industrial business and caravans

Asia and Pacific

€29m (-5.2%)

- Rapid recovery of chemical and semiconductor industries
- Focused cultivation of application fields and intensified sales efforts

Business Performance 2020

Semi-finished products: dramatic slump in aviation – Pipes and fittings: infrastructure stable



Semi-finished products

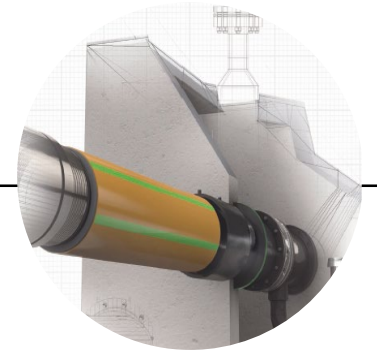
-11%

€306
million in revenue

79%
revenue share

- Sharp declines in sheets for aircraft interiors
- Low investment activity among customers in chemicals and mechanical engineering
- Solid and hollow rod and welding rod business stable

Pipes and fittings



-6%

€83m
in revenue

21%
revenue share

- COVID-19-related declines especially in project business
- Stable infrastructure business in Central Europe due to consistent growth in construction industry
- Positive trend in global industrial business, especially in Asia

1 Business Performance 2020

Projects – Milestones 2020



Zugspitze: Rehabilitation of an elevated drinking-water tank at 3,000 m



Middle East: Pipes and fittings for the region's largest seawater desalination plants



Norway: 12 km of PE 100 pipes and fittings for land-based aquaculture facility



Poland: PE 100 product range for pool technology at an aqua park



India: Laminated PFA sheets for chemical plant with extensive training in machining



USA: FM 4910-rated sheets for wet benches/semiconductor market



USA: Semi-finished products for housing parts of a new 3D printer

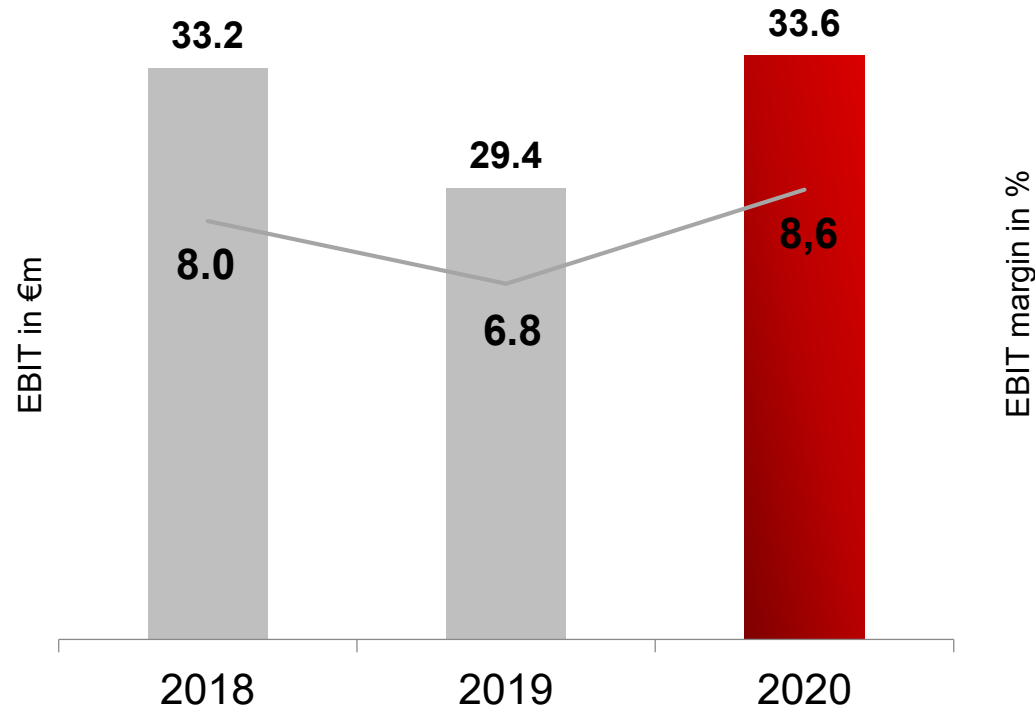


Global: SIMORAIL – new product range for train interiors

Business Performance 2020

Earnings contribution by Europe up markedly – Decline in Americas

EBIT SIMONA Group



EBIT

- Profitability above target corridor of 6-8%, with EBIT margin of 8.6%
- Significant improvement in Europe's contribution to earnings
- Marked decline in Americas' contribution to earnings due to slump in aviation business
- Improvement in Asia's contribution to earnings at operating level

Consolidated Financial Statements 2020

Earnings

in €m	2020		2019		Change	
Revenue	389.8	100.0%	432.5	100.0%	-42.7	-9.9%
Other income	8.8	2.3%	4.6	1.1%	4.2	91.3%
Changes in inventories	-2.6	-0.7%	-2.1	-0.5%	-0.5	26.6%
Cost of materials	186.6	47.9%	226.5	52.4%	-39.9	-17.6%
Staff costs	87.0	22.3%	85.7	19.8%	1.3	1.5%
Depreciation, amortisation and write-downs	18.3	4.7%	17.4	4.0%	0.9	5.2%
Other expenses	70.5	18.1%	76.0	17.6%	-5.5	-7.2%
EBIT	33.6	8.6%	29.4	6.8%	4.2	14.3%
Net finance cost	-3.1	-0.8%	-1.4	-0.3%	-1.7	>100%
EBT	30.5	7.8%	28.0	6.5%	2.5	8.9%
Income taxes	7.3	1.9%	7.4	1.7%	-0.1	-1.4%
Profit for the period	23.2	6.0%	20.6	4.8%	2.6	12.6%

Consolidated Financial Statements 2020

Total assets up – Cash position stronger despite acquisitions

ASSETS	in €m	31 December 2020		31 December 2019	
Intangible assets		40.4	9%	38.0	9%
Property, plant and equipment		140.8	31%	138.7	32%
Other non-current assets		31.0	7%	23.3	5%
Non-current assets		212.2	47%	200.0	46%
Inventories		84.9	19%	89.7	21%
Trade receivables		56.2	13%	59.7	14%
Other current assets		9.9	2%	12.4	3%
Cash and cash equivalents		85.3	19%	68.4	16%
Current assets		236.3	53%	230.1	53%
Total assets		448.5	100%	430.2	100%

Consolidated Financial Statements 2020

Increase in pension provisions – Further reduction in non-current financial liabilities

EQUITY AND LIABILITIES	in €m	31 December 2020		31 December 2019	
Equity		206.6	46%	216.3	50%
Financial liabilities		8.4	2%	11.9	3%
Provisions for pensions		155.8	35%	136.2	32%
Other provisions		4.1	1%	4.5	1%
Other liabilities (incl. lease liabilities and deferred tax liabilities)		20.6	5%	11.8	3%
Non-current liabilities		188.9	42%	164.2	38%
Financial liabilities		3.4	1%	3.4	1%
Provisions for pensions		1.8	0%	1.8	0%
Other provisions		1.7	0%	1.1	0%
Trade payables		17.4	4%	18.7	4%
Other liabilities (incl. lease liabilities and income tax liabilities)		28.6	6%	24.6	6%
Current liabilities		53.0	12%	49.6	12%
Total equity and liabilities		448.5	100%	430.2	100%

Consolidated Financial Statements 2020

IFRS interest rate impacts on equity ratio – Liquidity strengthened

in €m	31 December 2020	31 December 2019
Total equity and liabilities	448.5	430.2
Equity	206.6	216.3
Equity ratio	46%	50%

in €m	31 December 2020	31 December 2019
Cash	85.3	68.4
Financial liabilities	-11.9	-15.2
Positive net cash	73.4	53.1
Undrawn lines of credit	28.6	19.0

- Reduction in IFRS actuarial interest rate from 0.91% to 0.50%
- Equity down due to expenses from pension obligations (€11m)
- Equity ratio thus falls from 50% to 46%
- Liquidity up due to higher net cash from operating activities

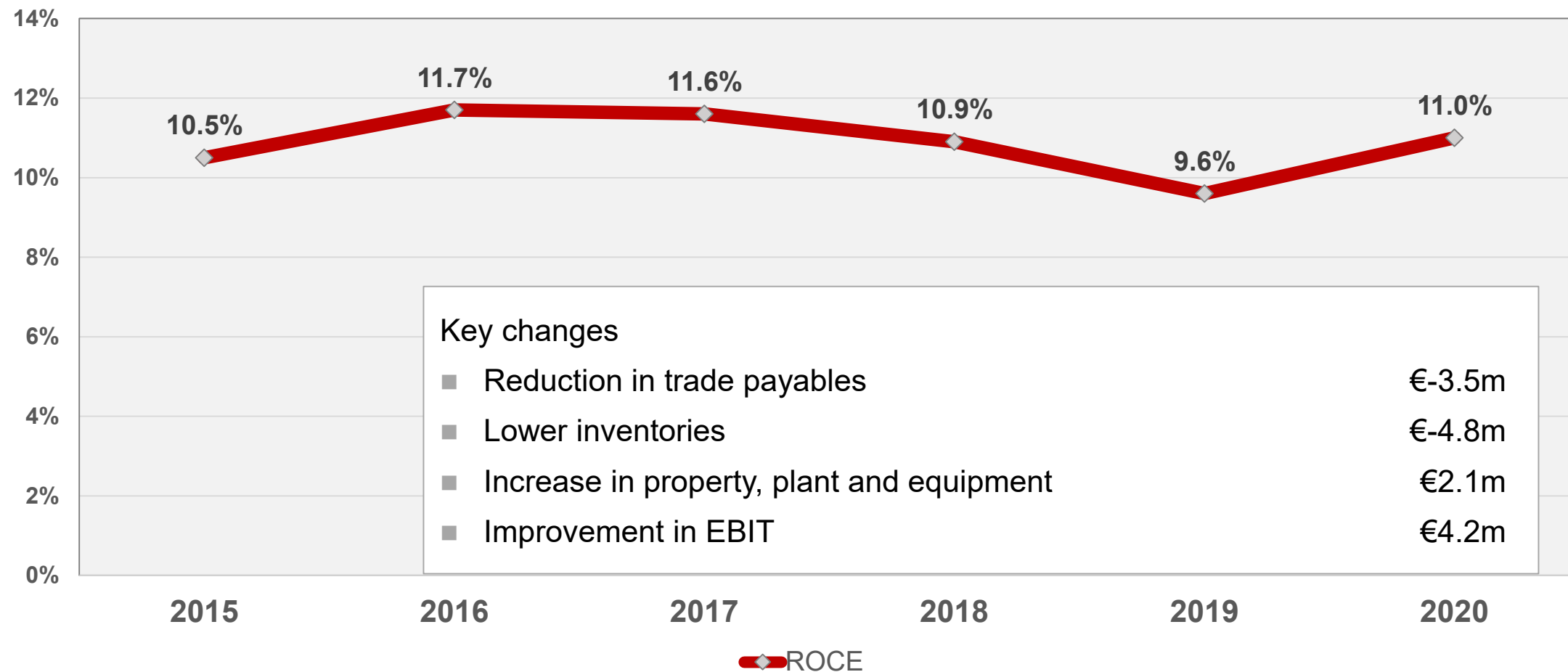
Consolidated Financial Statements 2020

Marked increase in operating cash flow

GROUP STATEMENT OF CASH FLOWS	2020	2019	Change
in €m			
Cash and cash equivalents 1 January	68.4	52.5	15.9
Cash and cash equivalents 31 December	85.3	68.4	16.9
Change in cash and cash equivalents	16.9	15.9	1.0
Net cash from operating activities	56.4	51.6	4.8
Net cash used in investing activities	-26.6	-23.2	-3.4
Net cash used in financing activities	-10.6	-12.9	2.3
Influence of forex movements on liquidity	-2.3	0.4	-2.7
Change in cash and cash equivalents	16.9	15.9	1.0

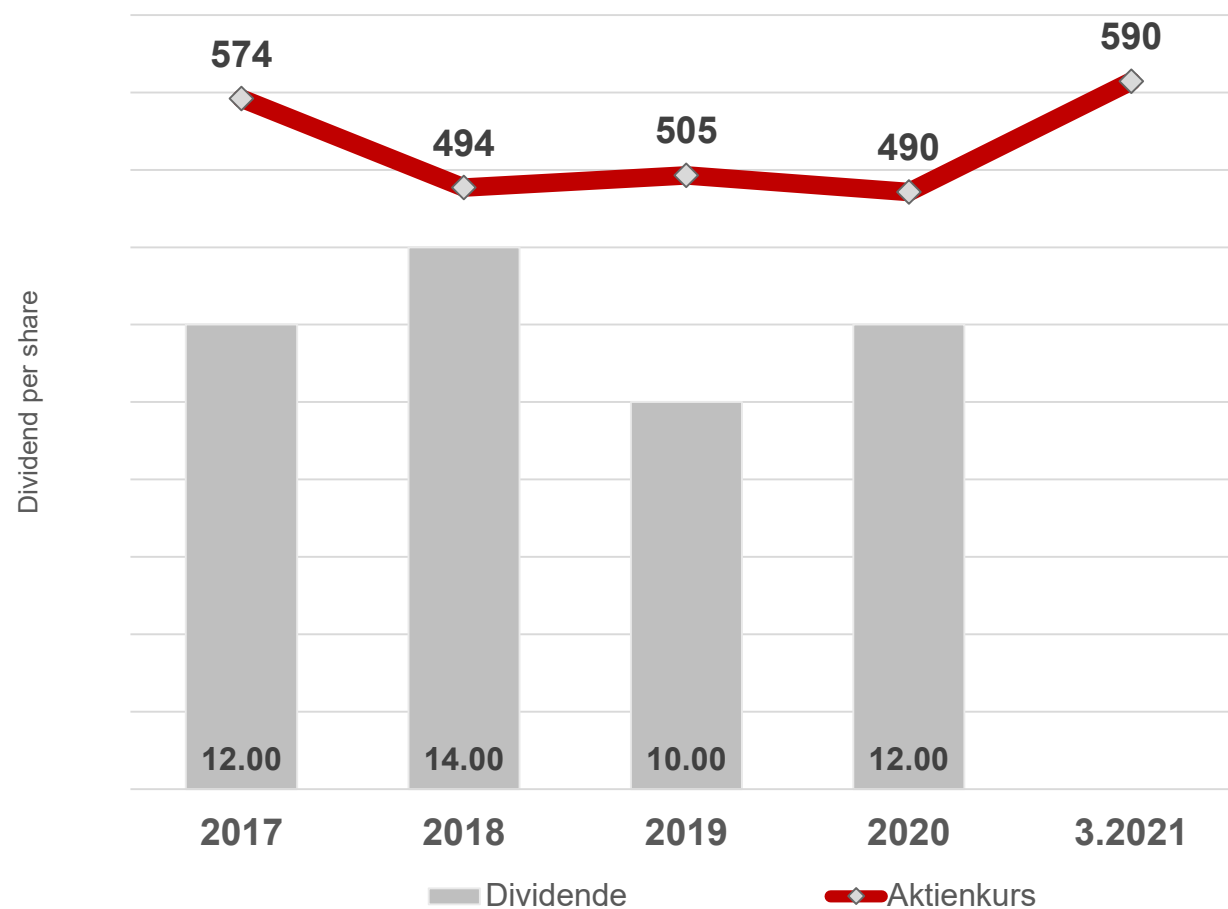
Consolidated Financial Statements 2020

ROCE improved – Net working capital at similar level



Consolidated Financial Statements 2020

Dividend proposal based on solid earnings 2020 and uncertainty 2021



- Proposed dividend payout €12.00 per share = €7.2m
- Dividend proposal based on uncertainty of COVID-19 situation and solid 2020 earnings
- Dividend yield 2.5%
- Share split in a ratio of 1:10 to increase attractiveness and trading volume

Strategic Development

GrowTogether

Application and process orientation

- Business Lines – New organisational structure introduced in Europe
- Acquisition of SIMONA Stadpipe – Access to growth market of aquaculture
- Lean 6S – Efficiency and productivity up at European plants

Global action

- Semicon, Rail and Aquaculture – Establishing global business segments
- Road map for global IT strategy until 2025
- Acquisition of SIMONA PLASTECH – Future of PVC foam business
- Succession USA – Adam Mellen takes over as CEO SIMONA AMERICA Group and member of the Global Management Team

Strategic Projects

Application and process orientation Europe



Target Operating Model

- New business structure introduced as of 1 January 2021
- 5 business lines – Separation between semi-finished products and pipes/fittings discontinued
- Close dialogue with end users based on expert knowledge
- Improved customer service
- Expansion of product and service range
- Pursuing entry into new fields of application
- Distribution still an important sales channel

Strategic Projects 2020

Business line structure introduced as of January 2021



Market segments

- CPI
- Semiconductors
- Water tanks/pools
- Mining industry
- Medical technology

Differentiation:

Systems
Digital products and services

Industry

Market segments

- Rehabilitation
- Cable conduits
- Drainage

Differentiation:

Consultancy expertise
Customer care
Industry specialists

Infrastructure

Market segments

- Construction
- Advertising

Differentiation:

Partner network
SIMONA PLASTECH
Availability
Cost-effectiveness

Advert. & Construction

Market segments

- Automotive
- Rail vehicles
- Aviation

Differentiation:

Flexibility
Shaping/colouration
Compliance approvals

Mobility

Market segment

- Land-based fish farming systems (RAS systems)

Differentiation:

Systems
SIMONA Stadpipe
Specialist expertise

Aquaculture

Strategic projects



Acquisition SIMONA Stadpipe



Application orientation in the Aquaculture Market - Global Growth Market

- Design, installation and production of aquaculture piping systems and tanks
- Focus on RAS systems (Recirculating Aquaculture System)

Acquisition SIMONA PLASTECH



Goal: Market leadership in quality, product portfolio and market share

- Location Düzce, Turkey, 50 employees, approx. €11m revenue
- Turkish market leader
- State-of-the-art production and distribution structures
- Strengthening of market position in PVC foam business
- Strong trading partners
- Improved logistics and services

Strategic Projects

Application and process orientation Europe

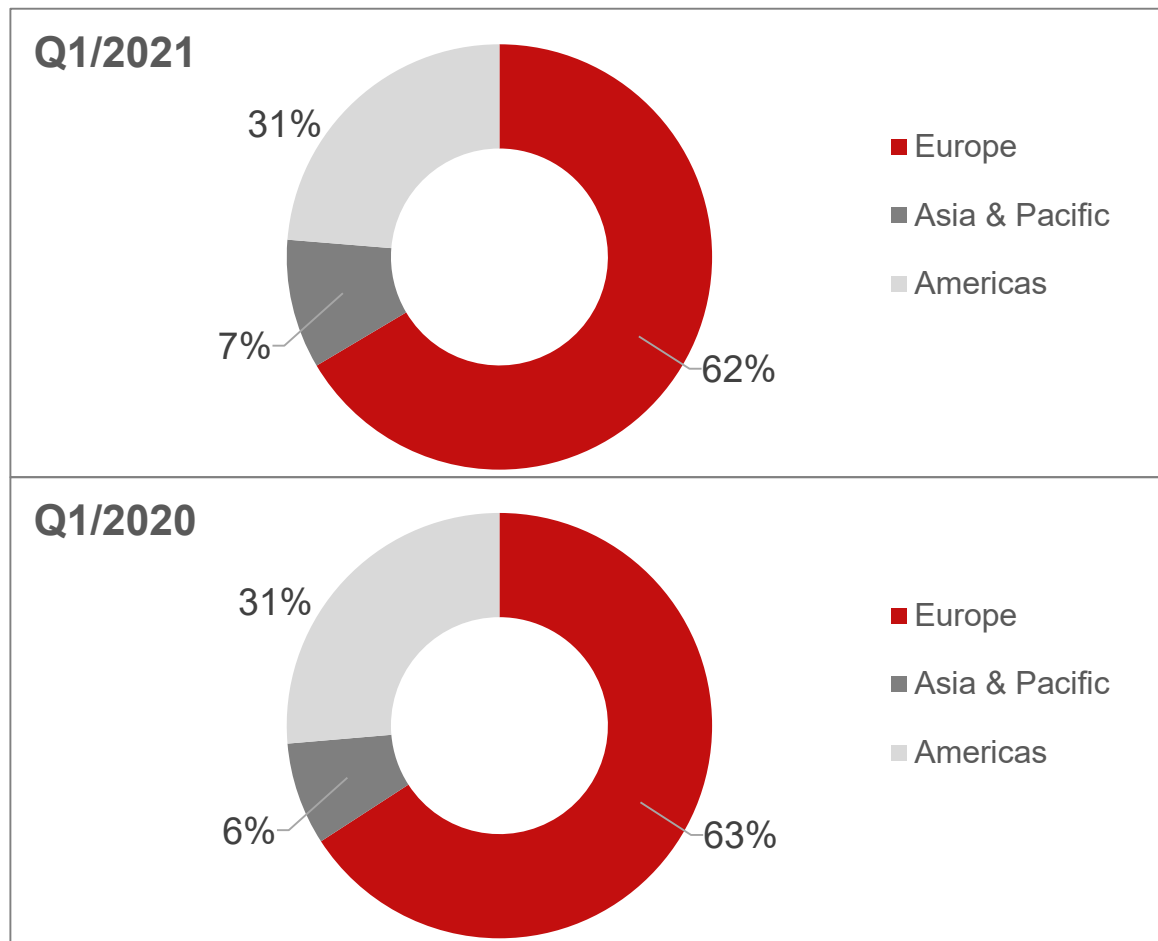


Optimising production and logistics

- Investment programme at Kirn HQ consistently implemented
- Progress in efficiency leads to profitability gains
- Automated and standardised packaging and picking process (investment approx. €4 million)
- Optimisation of production layout and machine management (6S - Lean)

Group 1st quarter 2021

Significant increase in revenue against backdrop of rising commodity prices



Region	€m	€m (change)	in % (change)
EMEA	80.7	+9.8	+13%
Asia & Pacific	11.9	+3.5	+42%
Americas	28.8	+0.4	+1%
Total	121.5	+13.8	+14%

Group 1st quarter 2021

EBIT up – Shortages of raw materials

in €m	Q1/2021	Q1/2020	Change
Sales revenue	121.5	107.7	13.6
Gross profit	56.8	56.2	0.6
<i>Gross profit margin</i>	<i>46.8%</i>	<i>52.2%</i>	<i>-10.3%</i>
Staff costs	23.3	22.9	0.4
Other costs incl. write-downs	22.6	23.7	-1.1
EBIT	10.9	9.6	1.3
EBIT % of revenue	9.0%	8.9%	1.1%

SIMONA Group 2021

Outlook

Projections 2021

Revenue: €420m to €435m

EBIT margin: 6 to 8%

EBITDA margin: 10 to 12%

ROCE: 7 to 8%