



W E N D E L



Mecatherm Olivier Sergent

Wendel Investor Day, December 4, 2014

Mecatherm products



Mecatherm products

HIGH CAPACITY LINE

« convenience » baguette and crusty bread

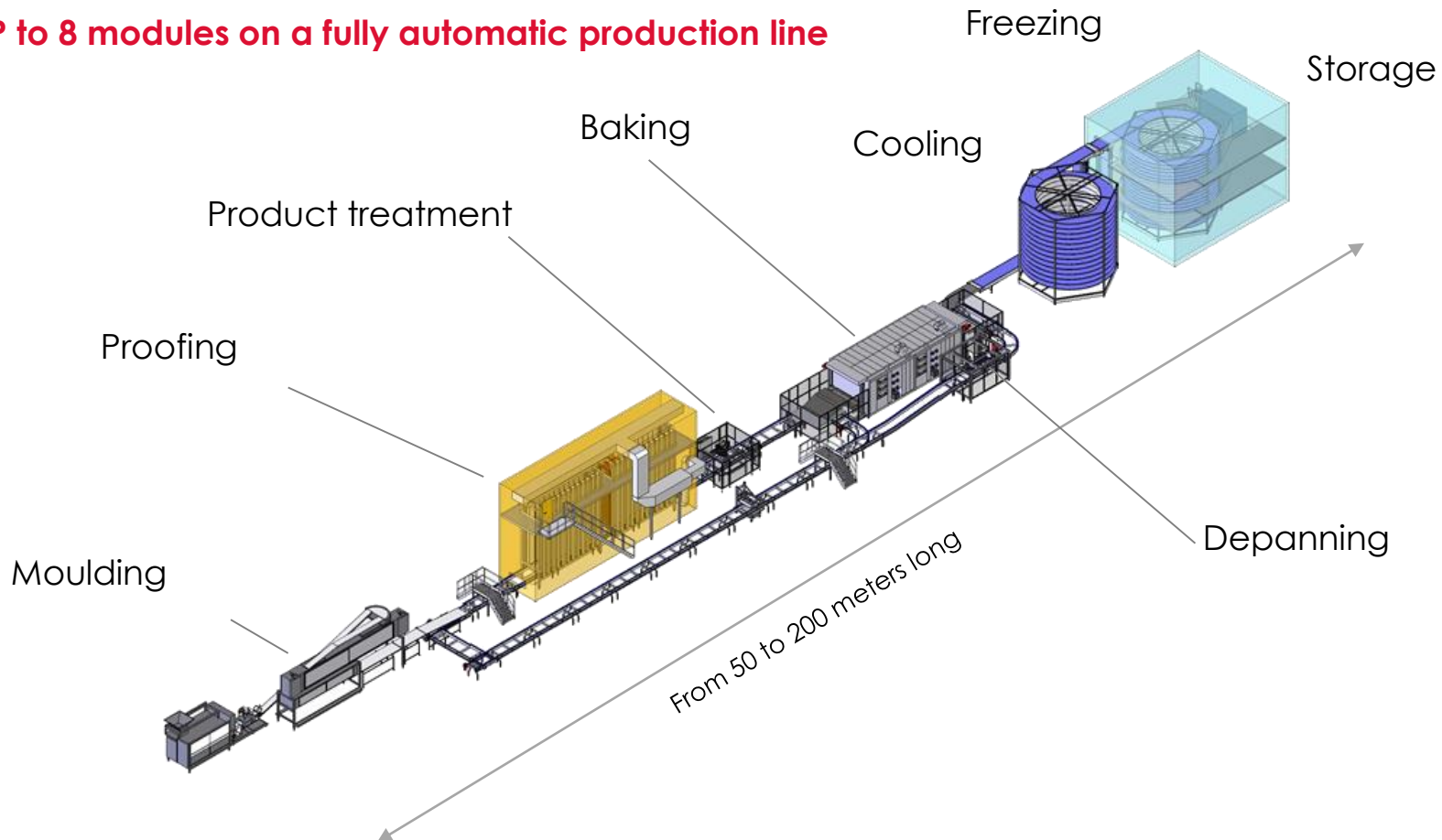
PREMIUM LINE

Artisan quality bread and baguette

VARIETEE LINE

Buns, brioche, loaves of bread, pastries...

UP to 8 modules on a fully automatic production line



Mecatherm products make this

HIGH CAPACITY LINE

« convenience » baguette and crusty bread



PREMIUM LINE

Artisan quality bread and baguette



VARIETEE LINE

Buns, brioche, loaves of bread, pastries...



Mecatherm's MOTTO

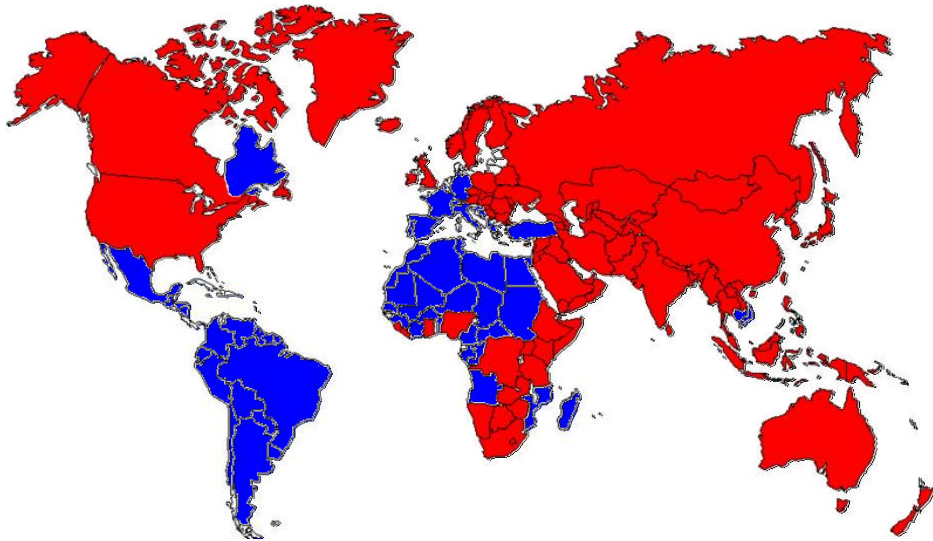
Add Value to our offering by:

- Remaining the Leader through continuous **innovation** on products and processes
- Offering a wide range of **equipments** with high value: we are not a mere engineering company, we supply our own equipments
- Offering a **wide range of services**
 - Project management
 - Maintenance
 - Financial services
 - Audit
 - Turnkey operations
- And **bring our customers into the French ecosystem of Industrial Bakery**




Our market

World Bread Consumption is sliced in two...



 1.5 billion inhabitants eat crusty bread

 Rest of the World eats other kinds of bread (soft bread, packed bread)

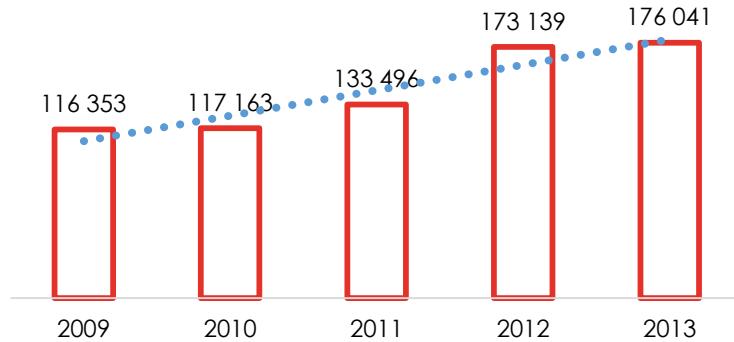
Did you know that...?

- The world's biggest baker is... **Mexican** and makes \$14 bn revenue per year
- The world's biggest baguette eater is... **Algeria** with 40 million/day, and there is only one industrial bakery , installed this year by Mecatherm, producing 300,000 baguettes/day (1%)
- **3 million baguettes** are baked everyday on Mecatherm's **in Kinshasa** lines...
- **200 million rusks** are eaten every day in... **India**

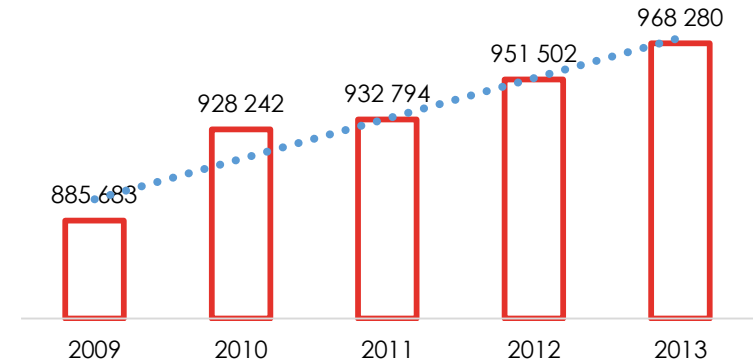
The average production cost of a High Quality baguette produced on our lines is...€ 20cts ex works

World bakery is a growth market

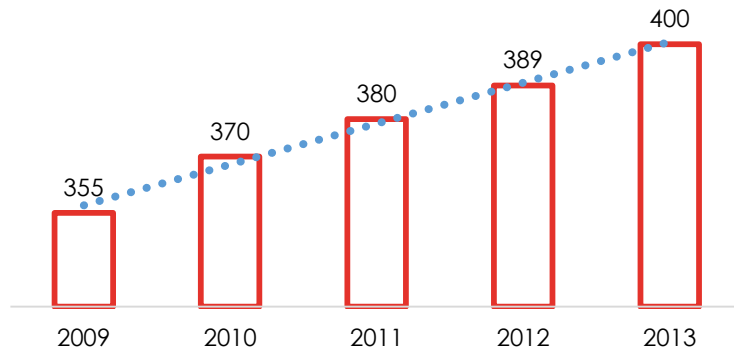
Grupo Bimbo
(millions of Mexican pesos)



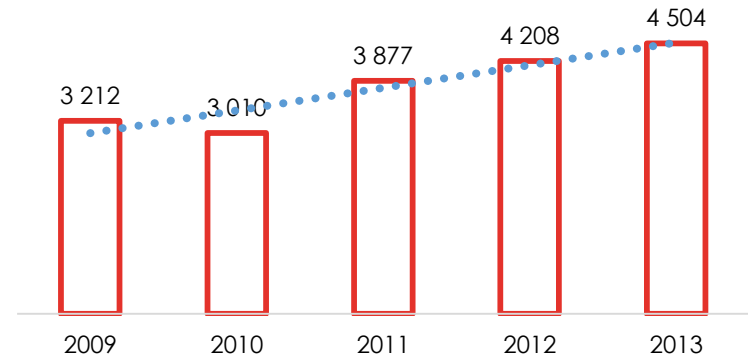
Yamazaki baking AG
(millions of Yen)



Europastry
(millions of Euros)



Aryzta AG
(millions of Euros)



A strong installed base for future growth

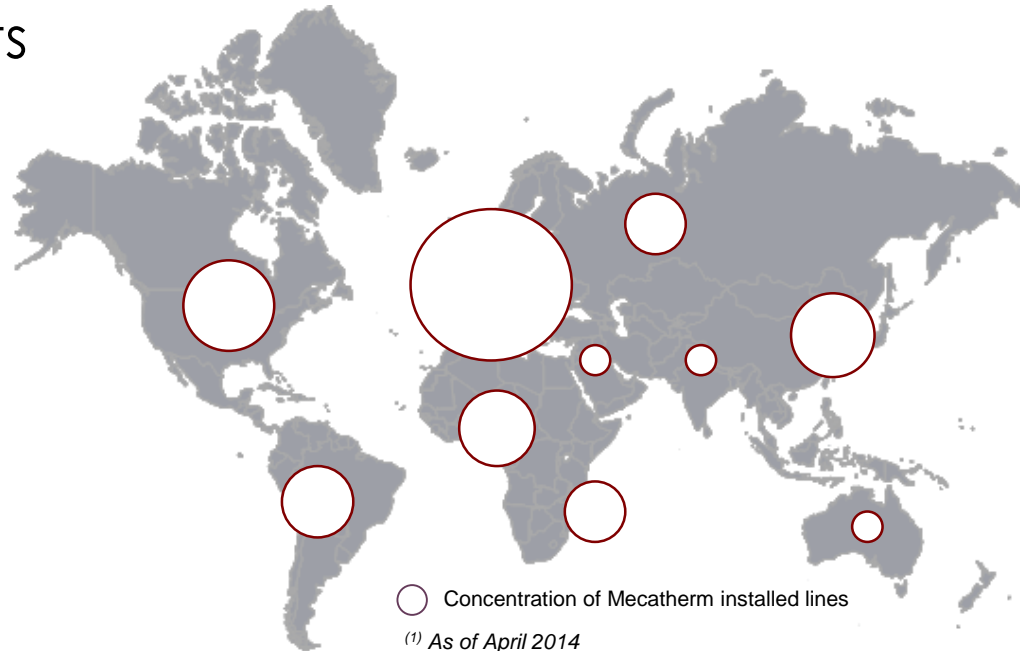
- World leadership in production lines
- Ability to adapt our equipment features to the product specificity and the request of each country
- More than **600 fully automatic lines** in operation on the 5 continents

North America

- **55 lines sold** ⁽¹⁾:
 - Convenience line : 41
 - Artisan line : 12
 - Varietee line : 2

Emerging markets

- **72 lines sold** ⁽¹⁾:
 - Convenience line : 41
 - Artisan line : 6
 - Varietee line : 20
 - Regional products : 5



Germany

- **92 lines sold** ⁽¹⁾:
 - Convenience line : 80
 - Artisan line : 10
 - Varietee line : 2

France

- **110 lines sold** ⁽¹⁾:
 - Convenience line : 59
 - Artisan line : 31
 - Varietee line : 20

Rest of Europe

- **272 lines sold** ⁽¹⁾:
 - Convenience line : 220
 - Artisan line : 31
 - Varietee line : 21



Key financials & Growth Drivers

2014: A year of transition

(In EUR million)	FY 2013	H1 2013	H1 2014	Δ
Net sales	96.1	32.1	36.9	+14.8%
EBITDA	16.6	3.2	3.4	+8.2%
% of net sales	17.3%	9.9%	9.4%	-50 bps
Operating income	15.3	2.5	2.8	+12%
% of net sales	15.9%	7.9%	7.5%	-40 bps
Net financial debt	49.9	58.7	52.6	-6.1

Record order intake



H1 2013
LTM



H1 2014
LTM

Main changes in 2014

- Olivier Sergent becomes new CEO of Mecatherm
- Successful first installations of variety lines in India & China (first line, 6 more to follow), Saudi Arabia
- Launching of new technologies (eco-heating ovens)
- Reinforcing the management team, to accompany 2020 Mecatherm Plans :
 - Marc Ville (COO)
 - Raymond Nogaël (Marketing and business Development)
 - Eric Guerin (CFO)
- Implementation of new ERP in May, temporarily impacted production speed, and thus revenue recognition slowed down (direct and indirect costs, due to late deliveries to customers)

2014 updates:

- Record Firm order intake: €132m LTM as of October 2014, +31% LTM
- Actions taken & delays in delivery will there impact sales & operating margin for 2014 (double-digit growth in sales and ebitda expeted in FY2014E) but will give stronger dynamics from 2015

Production & accounting process

Final
commissioning



100%
of sale recognized

Real condition testing
& client's training



95%
of sale recognized

Assembly

in client's location



90%
of sale recognized

Manufacturing
& Assembly



80%

of sale recognized

Delivery



Subcontracting
& Purchasing



65%

of sale recognized

Designing
Industrial Solutions



5%

of sale recognized

Order
intake



Time

From 4 to 16 months

Revenue
recognition

Average
figures.
Contracts may
differ.



Our future

Our growth is driven by a very simple idea

Bread is basic food stuff

Bread is fun and convenient for sandwich

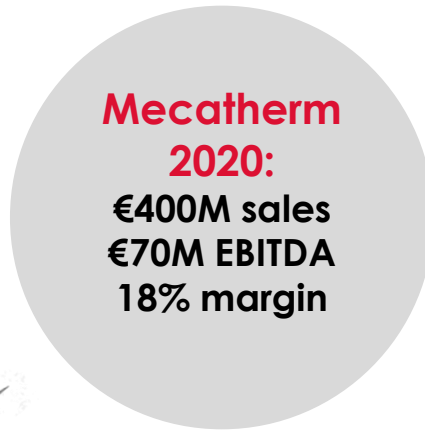
But...

- 1 Making bread is very difficult and takes a long time
- 2 Making good bread is even more difficult
- 3 Making a lot of good, healthy, safe, economical bread needs adequate INDUSTRIAL SOLUTIONS

The good news is that, everywhere on Earth people want:

Good, cheap, healthy & safe bread

Mecatherm 2020 Strategic Plan



Organic Growth

c.50%



DEVELOPED COUNTRIES

Crusty bread **+** **+**
Variety bread

EMERGING COUNTRIES

Crusty bread **+**
Variety bread **+**

External Growth

c.50%



Flour Storage
Dough preparation
Make-up equipment
Baking technologies
Robotisation
Software
Baking pans/trays
Sanitation equipment

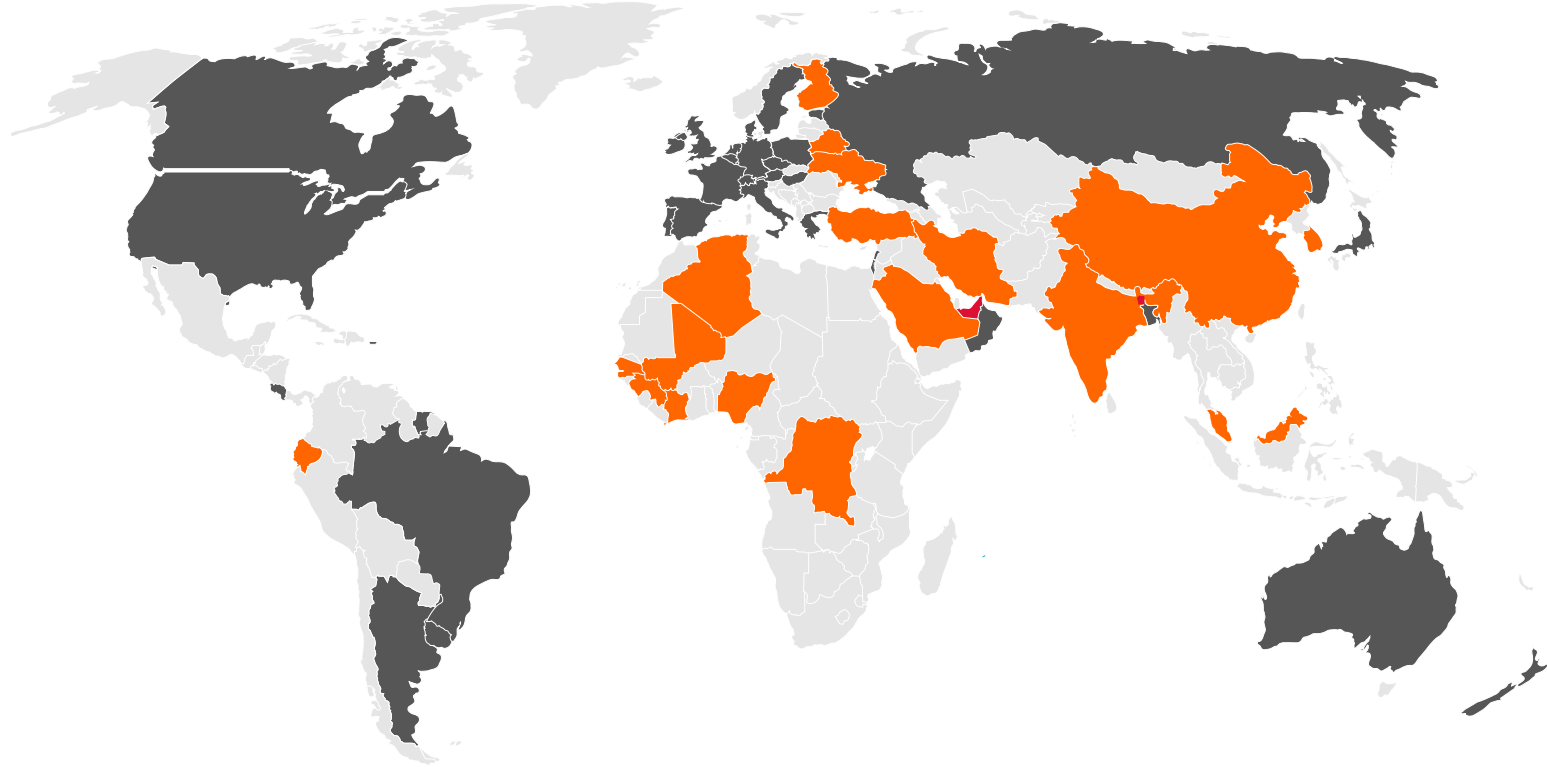
+

New Services

Extension of geographies

Historic markets

New geographies gained since 2006



Widening of service offering

Training:

- Dedicated training sessions
- Real production line at customer's disposal



Maintenance:

- Spare parts storage with 12,000 references available, with a total of more than 30,000 references in use



Connected machines / Supervision:

- Connection by modem and/or internet to your PLC's : telediagnosis or alert limit
- Preventive maintenance contract/audit
- Exploitation supervision



Financing:

- Economic analysis
- Financing assistance

New products development:

- A world unique test lab (3,000 sqm)
- Product elaboration



Chinese rusk



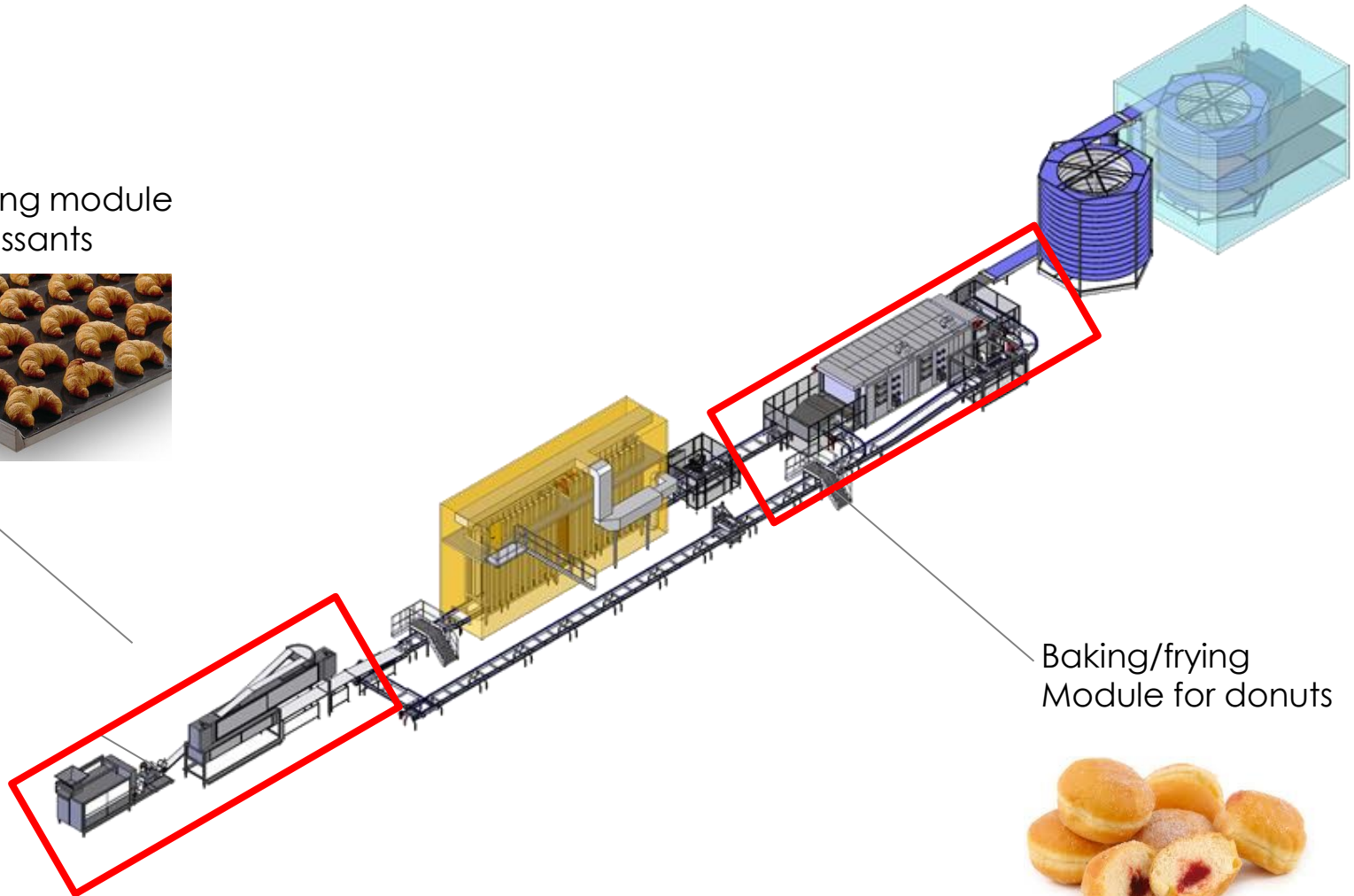
Pão Francês (Brazil)



Mantao (China)

External growth

Moulding module
for croissants



Baking/frying
Module for donuts





Company profile



WORLD LEADER

Mecatherm is the world leader in industrial bakery equipment



ACTIVITY

MECATHERM develops, produces and installs ovens, machines and automated production lines for industrial bakery products worldwide; whether fresh or frozen, fully baked or par-baked.



WIDE RANGE OF PRODUCTS

- **High capacity line** for “convenience” baguettes and crusty bread
- **Premium line** for “artisan” quality bread and baguettes
- **“Varietee” line** for buns, brioches, tin bread, pastries, etc.



DIVERSIFIED & INTERNATIONAL CUSTOMER BASE

600 automatic lines installed over the 5 continents
50% of sales are coming from international bakeries who have been Mecatherm's customers for more than 10 years

In mature countries...

Mecatherm's industrial solutions in Frozen Crusty Bread makes possible to have bread with:

- High quality
- Low cost
- Always available at any time of the day (10 mn from freezer to serving)
- Sold B to C in supermarket, gaz stations &....bakeries
- or sold B to B (sandwich chains, corner shops....)

Price is the N°1 driver for buying food....

Our top quality artisan style baguettes solutions enables to produce at less than 20c ex-works VS 1,2 euro in a artisan bakery

Growth is still expected at 8 % in the next ten years in Europe and USA, Canada, Australia, ...

In emerging countries...

2 different levers for growth



More than 1 Billion of people eat Crusty bread, but there are not enough bakers



RoW : fast development of industrial « soft bread » or specialty products



Price is the N°1 driver for buying food....

Mecatherm's industrial solutions can bring:
Enough bread
Healthy
Low cost
Constant quality

Growth potential is huge as Mecatherm also produce & develop new lines adapted to local consumptions habits