



## High external & organic growth potential in polymeric solutions

**\$198m** equity invested

**99.1%** equity stake

- **Strong niche player** in pharmaceutical & engineered polymers
- **Unique industrial know-how & highest standard production facilities** in the USA and in France
- **> 350 patents**
- New end- markets **expansion/diversification**

# John Belfance – CEO of CSP Technologies

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24-years' work experience at CSP o/w 15 years as an executive manager

Background in product design, engineering, and high speed packaging

Inventor: 23 worldwide patents <sup>(1)</sup> filed



W E N D E L

**CSP** *Technologies*



CSP Technologies

John Belfance - CEO

# Company Summary

CSP Technology is a global provider of custom, active polymeric solutions and specialty protective packaging.

CSP provides innovative products engineered to solve customers' problems

Over \$100 million in revenue

Over 350 global patents

Close to 95% of products manufactured with its own patented technologies

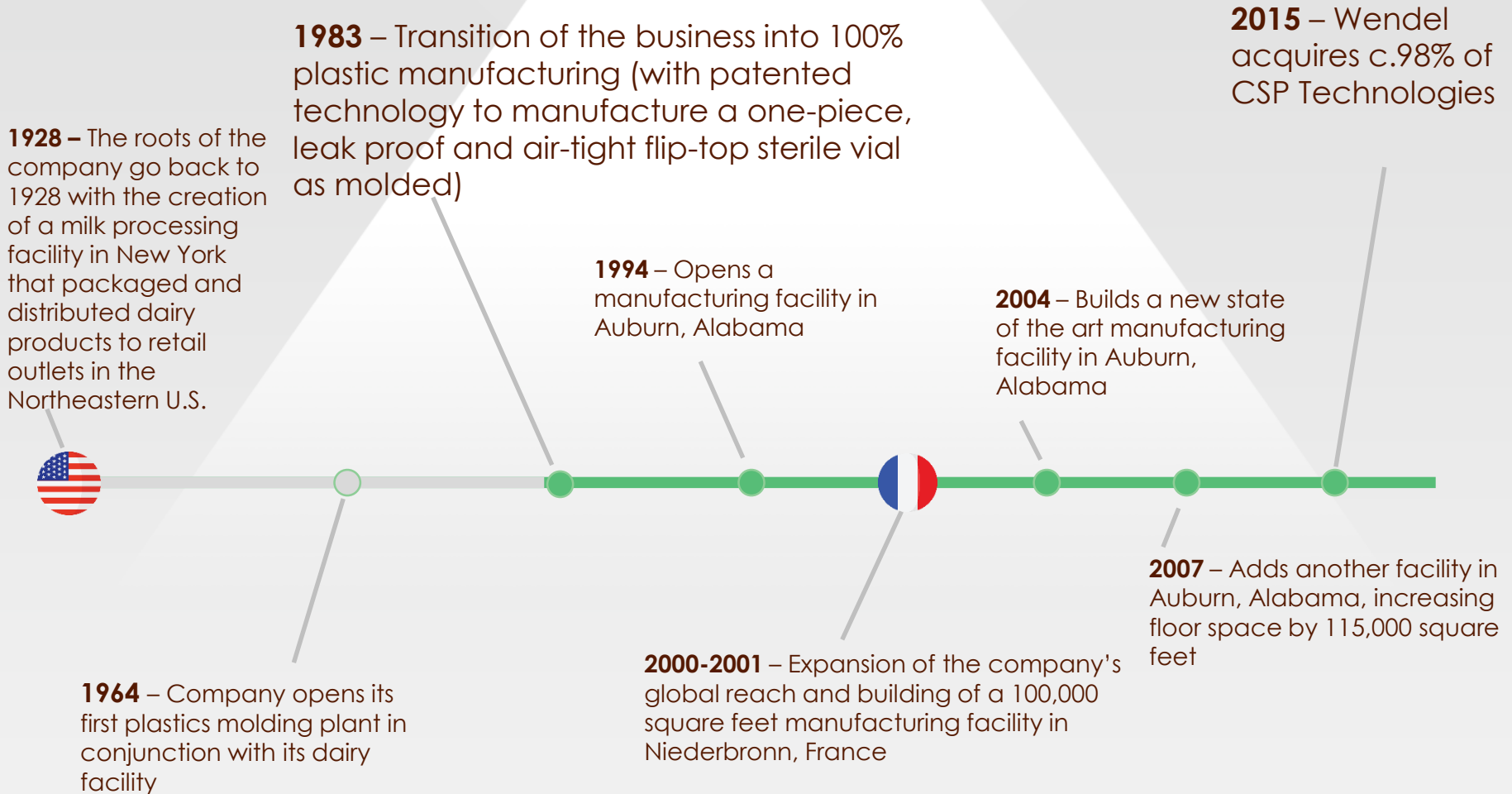
2 manufacturing plants in the United States & France

c.400 employees o/w 100 in France

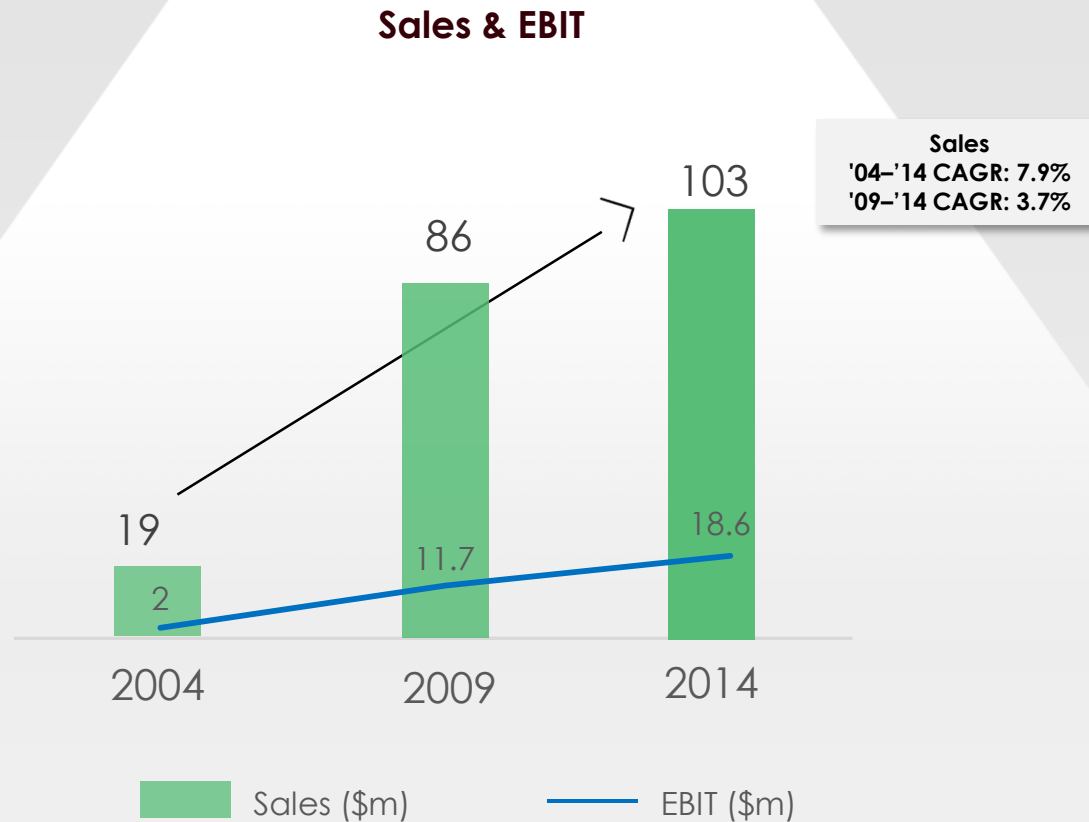
Founded in 1928, transitioned to a leading specialty packaging leader in 1983



# Corporate history



# Strong organic growth over the last decade



# Driven by strong fundamentals

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- 1 **Market leader** in product quality, customer support & technological advance
- 2 **Attractive end-markets** and geographies
- 3 **State-of-the-Art technologies & processes** supported by high-end manufacturing facilities
- 4 **Leading market share and high customer loyalty**
- 5 **Long-term growth** in core blood glucose testing market & **ability to leverage innovative capabilities** to grow in new markets by providing custom engineered solutions that solve customers' problems

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# Market leader in product quality, customer support and technological advances

CSP produces a new class of plastic materials based on patented polymer blend technology



'Smart Polymers" products & containers specially designed for diabetes test strips, drugs, probiotics, food, liquids...



Incorporate particles that can, at a controlled rate:

**Absorb** – Moisture, gases, odors, etc.

**Release** – Aromas, biocides, nutrients, etc.

**Transmit** – Enhance the transport properties of the polymer



Gas diffusion controlled through the channel composition



Can be extruded, injection molded and blow molded



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# Market leader in product quality, customer support and technological advances

Activ-Vial™ : A unique design in Plastic Containers

## Engineered seal

Easy open/close  
Positive closure "click"  
Low moisture ingress



## Attached lid design :

Air tight and leak proof

Break resistant hinge

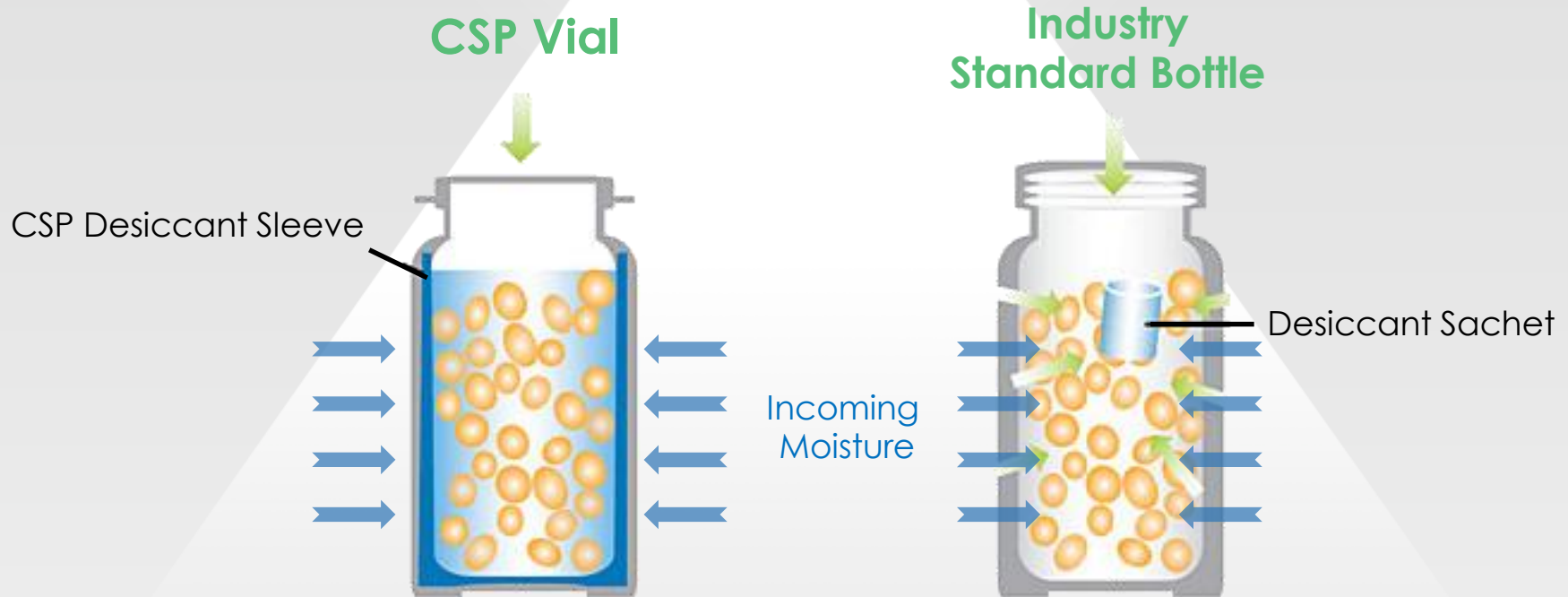


## Engineered desiccant sleeve

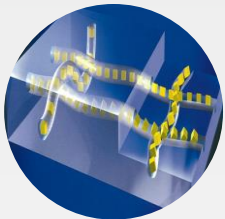
Controlled moisture absorption  
Surrounds products

**Several patents**  
protect this product

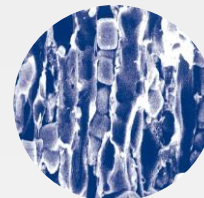
## CSP Dessiccant Sleeve : An impenetrable Barrier



**Content sees virtually no moisture  
in vial with CSP Sleeve**



CSP's engineered Polymers create "microscopic interconnected transmitting channels" within the plastics



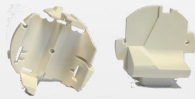
Water-extracted cross section of a film illustrating a Polymer / Molecular sieve. The desiccants are entrained within interconnecting pathways within a polymer.

## KEY DIVISION AND PRODUCTS

Confectionary / Food

Dairy

Retail / Cups



25%

75%



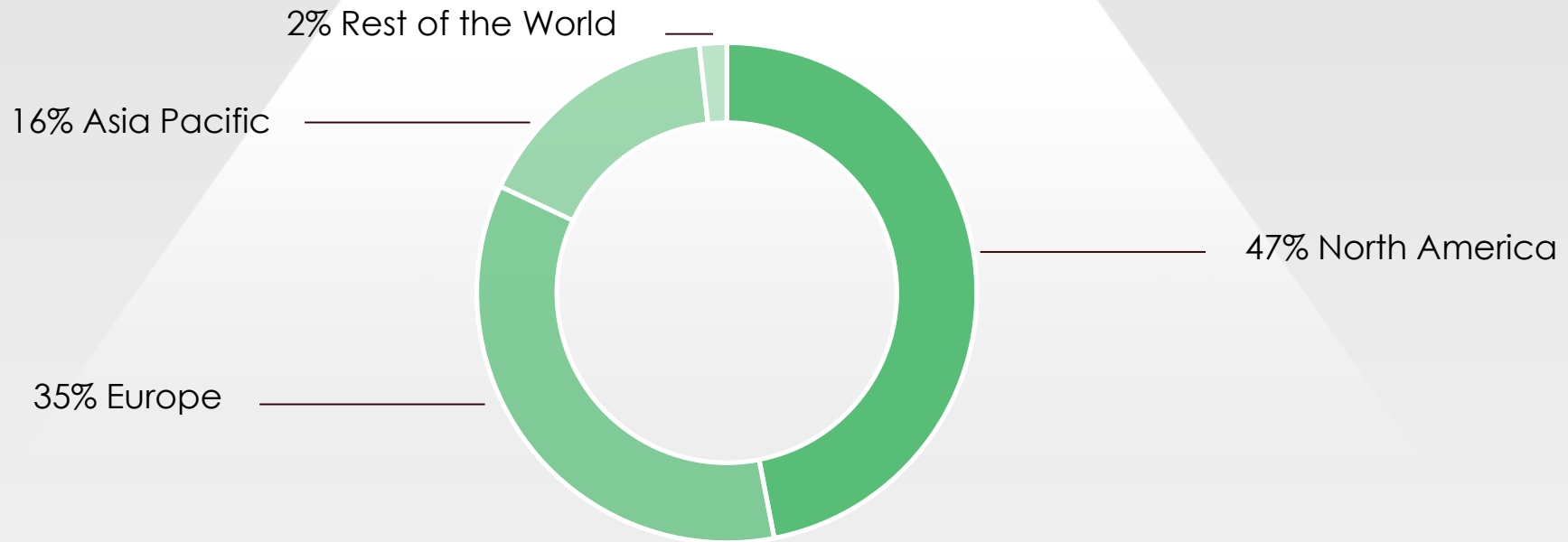
Healthcare

Active packaging for diabetes test strips, OTC products, probiotic, other.



9/30/2015 LTM revenue breakdown

### SALES BY GEOGRAPHY



9/30/2015 LTM revenue breakdown

# State-of-the-Art Technologies & Processes

## Custom Solution Development Lifecycle

### Innovation Ideation



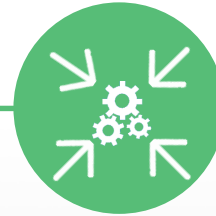
- Solving customers' problems
- Product stability requirements
- Consumer Safety
- User Convenience
- Brand awareness

### Product Development



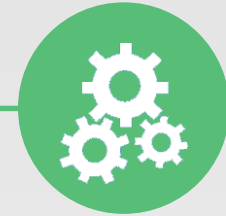
- 3D component design
- Rapid prototyping
- Mold design
- Testing & Analysis
- Automation Optimization

### Implementation



- Build Custom Tooling
- Validate Tooling
- Plan secondary Operations
- Validate Automation Process

### Manufacturing



- Two-shot molding
- In-mold labelling
- In-mold assembly
- Film extrusion
- RFID package integration
- High-speed automation
- Product/component inspection

Top engineers and scientists, additional expertise of world class scientific advisors during the R&D / prototype stage to develop the optimal solution for each customer's unique problems

Customers jointly develop new products, which requires time (up to 4 years) and capital for research, design, development, testing and commercializing new technologies

## State-of-the-art technologies & Processes

Six-Sigma products supported by ISO-9001 manufacturing facilities

CSP Technologies produces its patented, **Six-Sigma quality products** at **two facilities with duplicate capabilities** in Auburn, Alabama and Niederbronn, France; both facilities were designed to supply leading global pharmaceutical customers.

**Total invested capital of over \$125 million**

Company benefits from in-house mold design, machine, tooling and software capabilities in order to **protect trade secrets**

CSP has **invested million of dollars** in visual automated quality control systems that allows them to **inspect 100% of vials with desiccant prior to shipment**

CSP Technologies is producing over 15 million units per week at both facilities (combined)

Auburn facility: Built in 2004, c.300 employees, 3 sites on 350,000 sq. feet,



Niederbronn facility: Built in 2001, c.100 employees, 1 site on 100,000 sq. feet





**Largest supplier of vials for diabetes blood glucose test strips** globally



**Leading market share of dairy vial market** in the U.S. and Western European markets



**Sole supplier of customized packaging solution** for leading US confectionery company



**Exclusive manufacturer of cups** promoting US professional & college sports teams sold into the fundraising market



**Risk-adverse industry** leaders are unlikely to deviate from a long-term, **Six-Sigma quality supplier**



**Compelling “cost/value” proposition** (e.g. vial is small percentage of retail price of strips vs. significant potential cost of recall or vial-related disruption)



**Industry faces significant FDA oversight** and recall potential, favoring an incumbent who delivers best-in-class quality



**Unmatched ability** of CSP Technologies **to deliver on time** (100% of historical deliveries) **from facilities in U.S. and Europe** (offers customers dual sourcing with single supplier)



## Long-term growth in core blood glucose testing market

Diabetes treatment & monitoring represent more than \$50 billion globally

Today, 1 in 11 adults have diabetes  
(415m people)



By 2040, 1 adult in 10 will have diabetes  
(642m people)



12% of global health  
expenditure

is spent on diabetes (\$673bn)

46.5% of adults  
with diabetes are  
undiagnosed



Three quarters of people  
with diabetes live in low  
and middle income  
countries



## Long-term growth in core blood glucose testing market

Diabetes treatment & monitoring represent more than \$50 billion globally

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**Economic and middle class growth** in developing countries creates opportunities to sell self-testing products

**More strip suppliers entering the global market** expected to drive down costs to the consumer and **make self-testing more affordable worldwide**

**Healthcare, insurance, and disease management companies are educating diabetics on the benefits of self-testing.** Indirect cost of diabetes represent hundred of billions globally.

**Tightening guidelines on self-testing products** supporting high quality suppliers

Outlook for growth & applications outside of core blood glucose testing industry

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## Long-term track record of developing & commercializing innovative, custom engineered solutions that provide crucial solutions to key problems for customers across divers end markets

### Healthcare:

New customized solutions for pharma and medical device customers  
New & existing customers looking for CSP's R&D capabilities

### Retail / Cups:

Marketing development  
Regulation to diminish disposable cups

### New business applications / New end markets:

Looking for quality & protection capabilities  
Protecting their products with CSP's innovative solutions

**Selective acquisitions of companies** that offer the same level of quality & engineering expertise

# Strong potential to leverage expertise to grow and diversify business mix

Outlook for growth & applications outside of core blood glucose testing industry

## Molded Articles – “Active” Components

- Can be an integral component to a device
- Can be used to absorb moisture, oxygen, odors,...
- Can maintain very tight dimensional tolerances



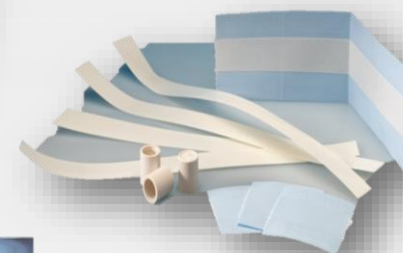
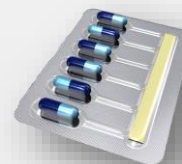
## Film applied via “heat-staking” or with adhesive

### Formulations to:

- Absorb Moisture
- Absorb Organic Volatile Compounds
- Absorb Oxygen
- Absorb Combinations (e.g. Moisture and O<sub>2</sub>)
- Release anti-microbial agents (e.g. AIT, ClO<sub>2</sub>)
- Release aromas

### Continuous Film or Die Cut Adhesive Backed Labels

- Applied seamlessly to the interior of a package
- Active Agents Entrained In The Plastic
- No Risk Of Contamination Due To Damage



## Environmental impact

100 % Cardboard Recycling  
100% Plastics recycling sell to secondary market  
Developing **0% scrap** molding system for 2018

## Six-Sigma

Reduces wastes & unexpected disposals

## Sourcing Policy

All raw materials are either food grade  
or pharmaceutical grade

## Charities & Community involvement

Manufacture cups for school and other  
fundraising activities

# Key takeaways

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**Unmatched quality supported by intellectual property**



**Strong innovation, engineering, and R&D capacity; state-of-the art production tools and manufacturing facilities**



**Long term growth trend in core market**



**Opportunities for growth through leveraging capability to develop unique solutions for new and existing end markets**



# CSP Quality System

## ISO 9001 Certified, ISO 13485 Compliant

15 Trained Internal Auditors

Bureau Veritas is our registrar

ISO 13485 Certification in both manufacturing facilities by 2016

## Operating in FDA Regulated Markets

## cGMP – compliant to current “Good Manufacturing Practices”

Good Documentation Practices

Hygiene and Gowning

Line Clearance and Traceability

Documented Systems with secondary Quality Review

## Quality Culture

Starts from the Top Down

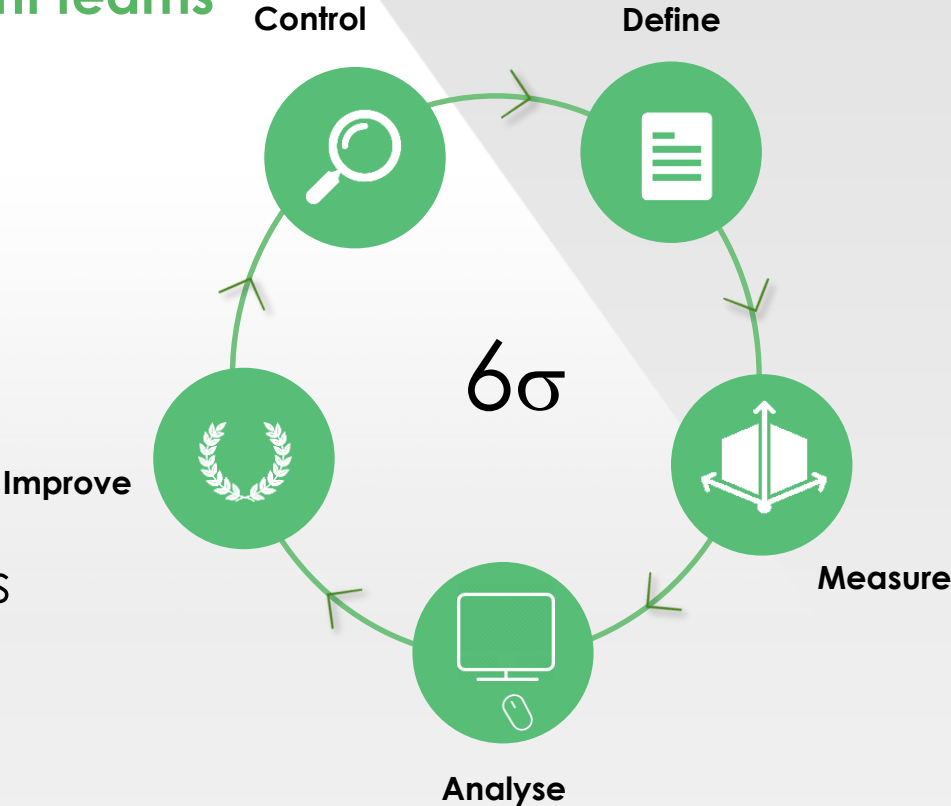
Quality is an integral part of every job





## 18 active continuous improvement teams

- Quality
- Downtime
- Packaging
- Cost reduction
- DMAIC approach
- Weekly management reviews



# Six-Sigma Quality

CSP Technologies has been providing demonstrated  $6\sigma$  level quality products to customers since 2009

## Combination of:

World-class molding

Statistical process and quality control techniques

Proprietary process

100% inspecting all vials for critical and functional defects

