



W E N D E L



Mecatherm  
Wendel Investor Day  
Olivier Sergent

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## Company profile



- World leader in industrial bakery equipment
- Mecatherm designs, develops, assembles and installs automated production lines exclusively for industrial bakeries
- Mecatherm covers a wide market for production lines with its three complementary solutions:
  - High capacity line for “convenience” baguettes and crusty bread (e.g. Aryzta, Quizno’s)
  - Premium line for “artisan” quality bread and baguettes (e.g. Brioche Dorée, Paul)
  - “Varietee” line for buns, brioches, tin bread, pastries, etc. (e.g. Pasquier, Boulangère, Pierre Schmidt)
- Wide range of bakery products
- A large, diversified and international customer base

# Mecatherm products

- High-capacity line: “convenience” baguettes and crusty bread



- “Premium” line: artisan quality bread and baguettes



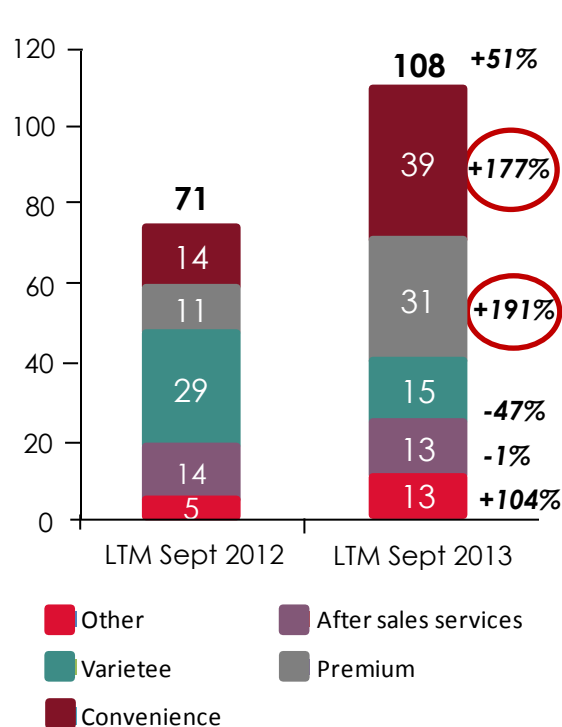
- “Varietee” line: buns, brioches, loaves of bread, pastries



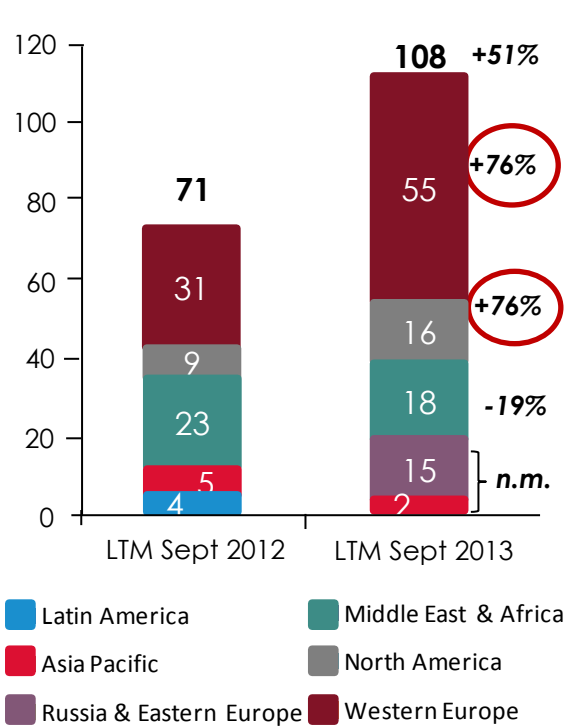
# After difficult environment in 2012, Mecatherm is back on strong growth trend in order intakes

- Strong growth in order intakes: +51% vs. 2012\*, led by historical segment & mature markets
- Record level of LTM order intakes of over €100M\*

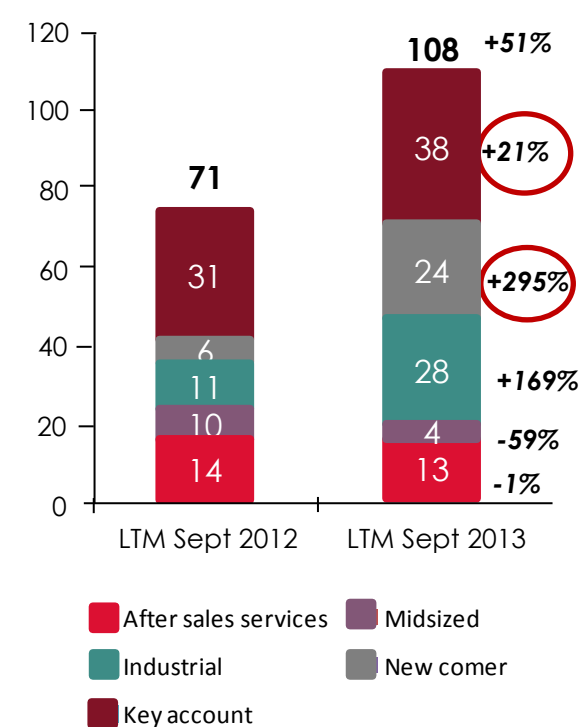
## By type of equipment



## By region



## By type of customer



\* Order intakes excluding resold equipment, based on September 30, 2013 LTM

# Update on initiatives successfully implemented in 2013 (1/3)

## ■ New products & processes

- New « HQ line » to produce High Quality bread at the same price as « white » bread
- Two innovations presented at the IBIE tradeshow in Las Vegas in October 2013
  - In-line MECAFLOW
  - HQ oven



## ■ New types of bread produced on MECATHERM's lines

« Pao Frances »



Buns



Tin bread



« Mantao »





# Update on initiatives successfully implemented in 2013 (2/3)

- Successful entry into **new** geographies with very strong potential
  - **Algeria**: state program of rationalization of bread production
  - **India**: emergence of mass-market food retailers requiring professional equipment suppliers
  - **Brazil**: industrialization of « Pao Frances » production (equivalent to our French baguette)



# Update on initiatives successfully implemented in 2013 (3/3)

- **New** geographical coverage
  - Opening of a fully owned subsidiary in Dubai to specifically cover MECATHERM's activity in Middle East, India and Africa
- **New** emphasis on financing solutions (used in 2013 in Poland, Romania, Argentina..)
  - Leasing solutions
  - Letters of credit with differed payment
  - Reinforcement of relationship with COFACE
- **New** sales force organization and **new** IT system for sales ("CRM")
- **New** production organization
  - « Flat pack » manufacturing / outsourcing expertise center
  - Site specialization

# Key figures

€M	FY 2012A	H1 2012A	H1 2013A	Δ
<b>Sales</b>	<b>73.1</b>	<b>29.6</b>	<b>32.1</b>	<b>+8.5%</b>
<b>EBITDA</b>	<b>7.8</b>	<b>0.8</b>	<b>3.2</b>	<b>+300.1%</b>
<i>As a % of sales</i>	<i>10.7%</i>	<i>2.7%</i>	<i>10.0%</i>	
<i>Net debt</i>	<i>61.5</i>	<i>66.9</i>	<i>58.7</i>	

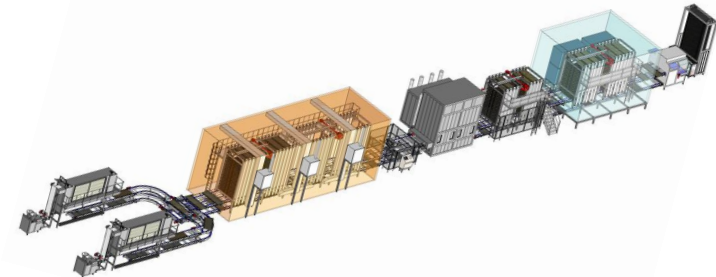
- H1 results not representative of full year trend due to:
  - Significant seasonality in order intakes in 2012-2013
  - Structurally lower performance in H1 compared to H2
- Strong H2 2013 performance driven by record orders in H2 2012 & H1 2013
- More than €15M EBITDA planned for 2013
- + 15.4% YTD September sales and sustained growth expected up to the end of the year
- Margin recovery
- Net debt reduction



# MECATHERM's strategy

- MECATHERM to **consolidate** « the baguette » business model **and replicate** to other mass-market products by :

- Proposing adapted solutions
  - From single highly-specialized modules
  - To complete turnkey systems
- Addressing customers with **adapted commercial approach** from key account to new comers
  - New comers (private or institutional investors)
  - Key accounts
  - Industrial bakers
  - Mid-size bakers
- **Widening our scope of supply** by addressing mass market products
  - Bakery
  - Danish
  - Pastry



# Next steps towards « Mecatherm 2020 » strategic plan

- « Mecatherm 2020 » strategic plan targets **€400M in sales** and **€70M in EBITDA** (18% margin) while maintaining the industrial model with a flexible cost base through:
  - **Industrial organization**
    - Implementation of a new ERP
    - Development of manufacturing capacity and international supply chain to match price levels in emerging countries
  - **Pursue R&D efforts**
    - In-line MECAFLOW and HQ oven presented at the IBIE tradeshow in October 2013
    - Launch of FCS oven, a « no frills » oven for mid-sized bakers, at Europain in March 2014
  - **Reinforce service offering**
    - Service packages (including 24/7 hotline, remote control of customers' production lines...)
    - Financing solutions
    - Turnkey factories
  - **Commercial organization**
    - Reinforcement of the commercial and marketing organization
    - Consolidation of MECATHERM's presence in Dubai
    - Continued international expansion with offices in North America and South East Asia
  - **External growth** to integrate complementary technologies
    - Targets identified
    - First discussions initiated

