

Financial Results Press Conference 2017

Strategy and Business Performance
Frankfurt, 26 April 2017

Company Representatives and Topics

SIMONA Management Board

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Wolfgang Moyses,
Chairman of the
Management Board
CEO



Dirk Möller, Deputy
Chairman of the
Management Board
COO



Fredy Hiltmann,
Member of the
Management Board
CFO

Press Officers:

- Eric Schönel
Head of Marketing &
Communication
- Ingrid Hahn
Personal Assistant to the
CEO
- Sarah Rohr
Marketing &
Communication

Agenda

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|--|-----------------|
| 1. Business Performance 2016 | Wolfgang Moyses |
| 2. Annual Financial Statements 2016 | Fredy Hiltmann |
| 3. 1st Quarter 2017 | Fredy Hiltmann |
| 4. Strategic Development and
Fields of Activity | Wolfgang Moyses |
| 5. Outlook 2017 | Wolfgang Moyses |
| 6. Questions and Answers | |

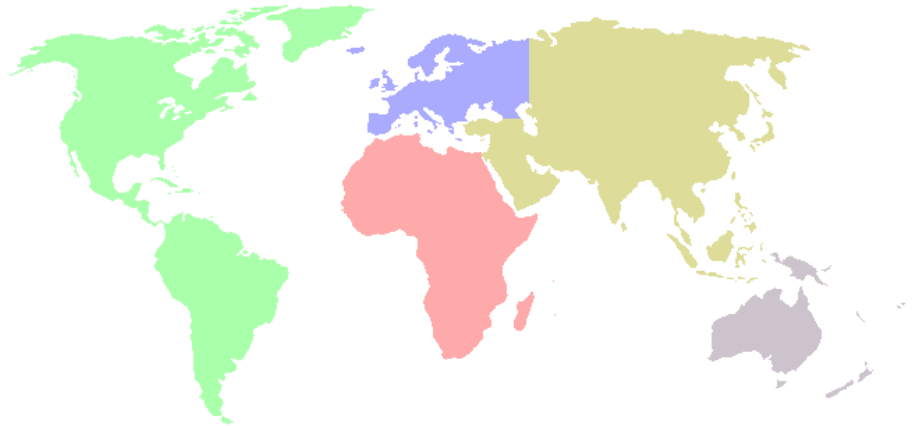


"Revenue target met – Earnings target exceeded"

Business Performance 2016

Global business climate

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USA

Economic growth fell short of expectations (low energy prices, anaemic investment spending on plant/equipment, strong dollar)

Germany

Solid growth, higher capital expenditure on plant/equipment, strong construction industry, hardly any impetus from chemical and mechanical engineering industry

Western Europe/Eastern Europe

Stable development, Spain records strong growth, Italy/France treading water

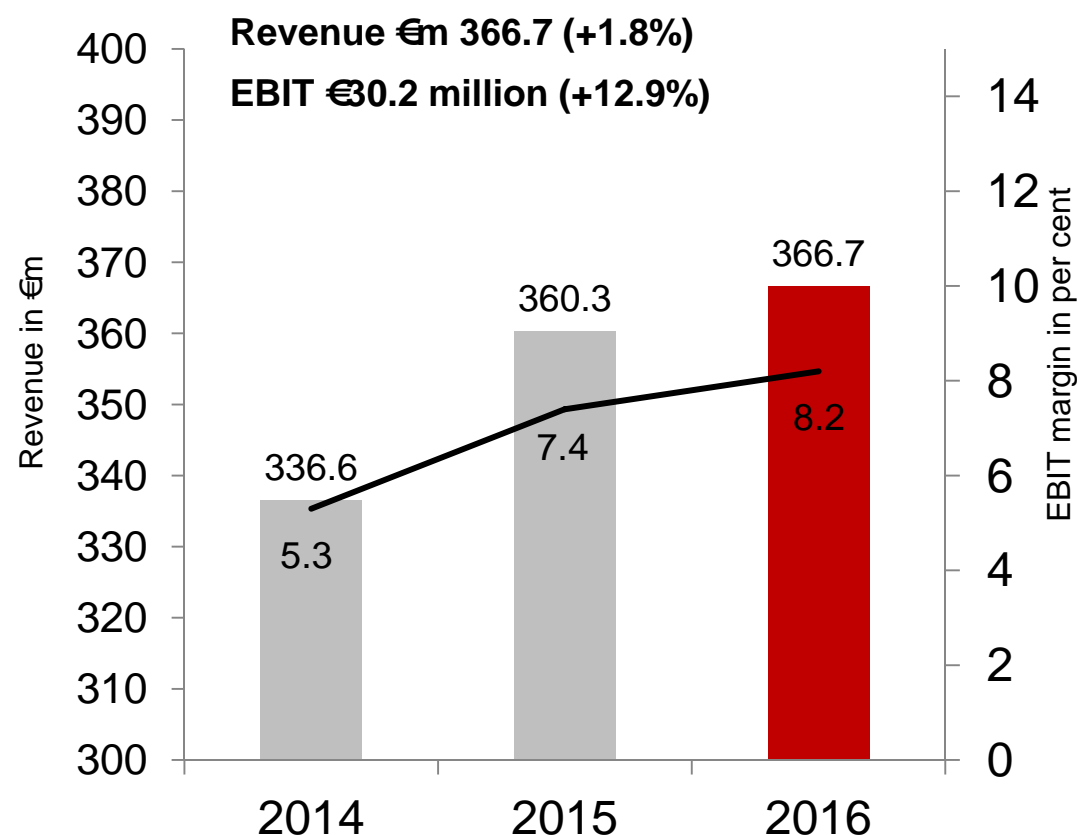
Asia and Pacific

Growth in China in line with government targets, structural change towards services in full swing, property market remains a considerable risk, emerging Asian markets with 4 per cent growth on average

Business Performance 2016

Strong performance in USA and growth for Semi-Finished Products

Revenue and EBIT margin SIMONA Group

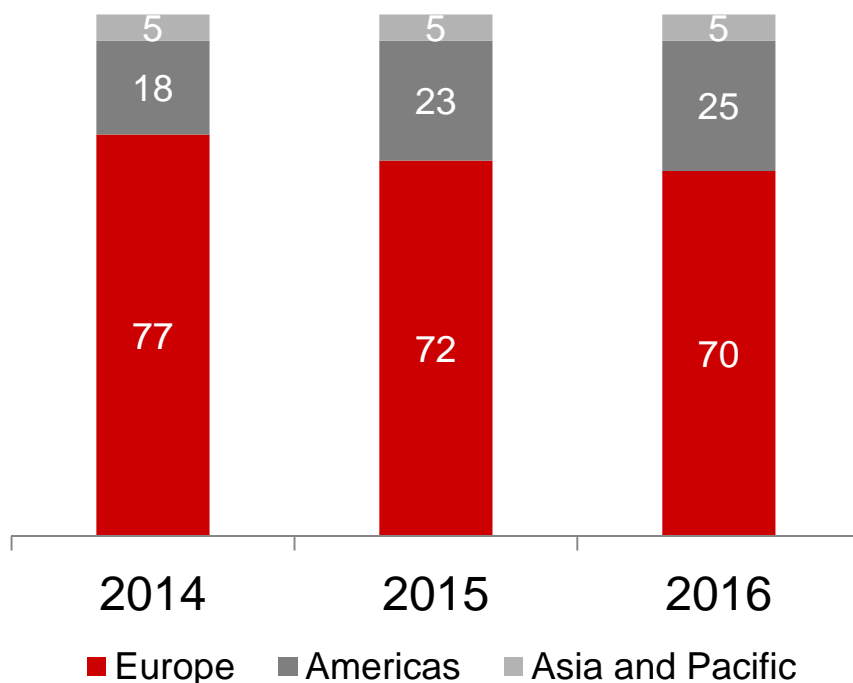


- Revenue growth fuelled by buoyant US business and gains made by Semi-Finished Parts
- Business with Pipes and Fittings declines
- Revenue guidance of €360-370 million met
- Earnings forecast exceeded – EBIT margin 8.2 per cent
- Improved profitability in European Semi-Finished Parts business
- Strong earnings in US

Business Performance 2016

Gains in United States – Europe stable – Asia makes up ground

Revenue by region (in per cent)



Allocated acc. to place of registered office of revenue-generating business unit

Europe €257 million ▼ -2%

- Pipes and Fittings business weak
- Positive performance for Semi-Finished Parts, particularly in Spain and Italy
- Moderate growth in Eastern Europe

Germany →

- Good performance for Semi-Finished Products
- Decline due to weak Pipes and Fittings business

Americas €90 million ↑ +10%

- Solid growth for Industrial Products
- Dynamic growth in Aviation business
- Revenue and earnings targets exceeded

Asia and Pacific €19 million ↑ +12%

- Very weak first half
- Solid growth for the year after resurgence
- Successful start for Indian subsidiary

Business Performance 2016

Growth for Semi-Finished Products – Decline for Pipes and Fittings

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Semi-Finished and Finished Products



↑ +5%

€290 million

Revenue share
79%

- Growth in Germany despite sluggish performance of mechanical and chemical engineering industry
- Business with building products and semi-finished parts for aircraft remains dynamic
- New portfolio of high-performance plastics

Pipes and Fittings



↓ -8%

€77 million

Revenue share
21%

- Absence of project business in Europe (brown coal)
- Business with industrial products and drainage systems up slightly

Annual Financial Statements 2016

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- Revenue growth of close to 2%
- Improvement in EBIT margin from 7.4% to 8.2%

- Significant earnings contribution from the US
- Foreign exchange gains, but much less pronounced than a year ago
- Income from sale of operating facility in France

- Substantial cash resources
- Solid balance sheet and financing

Annual Financial Statements 2016

Earnings

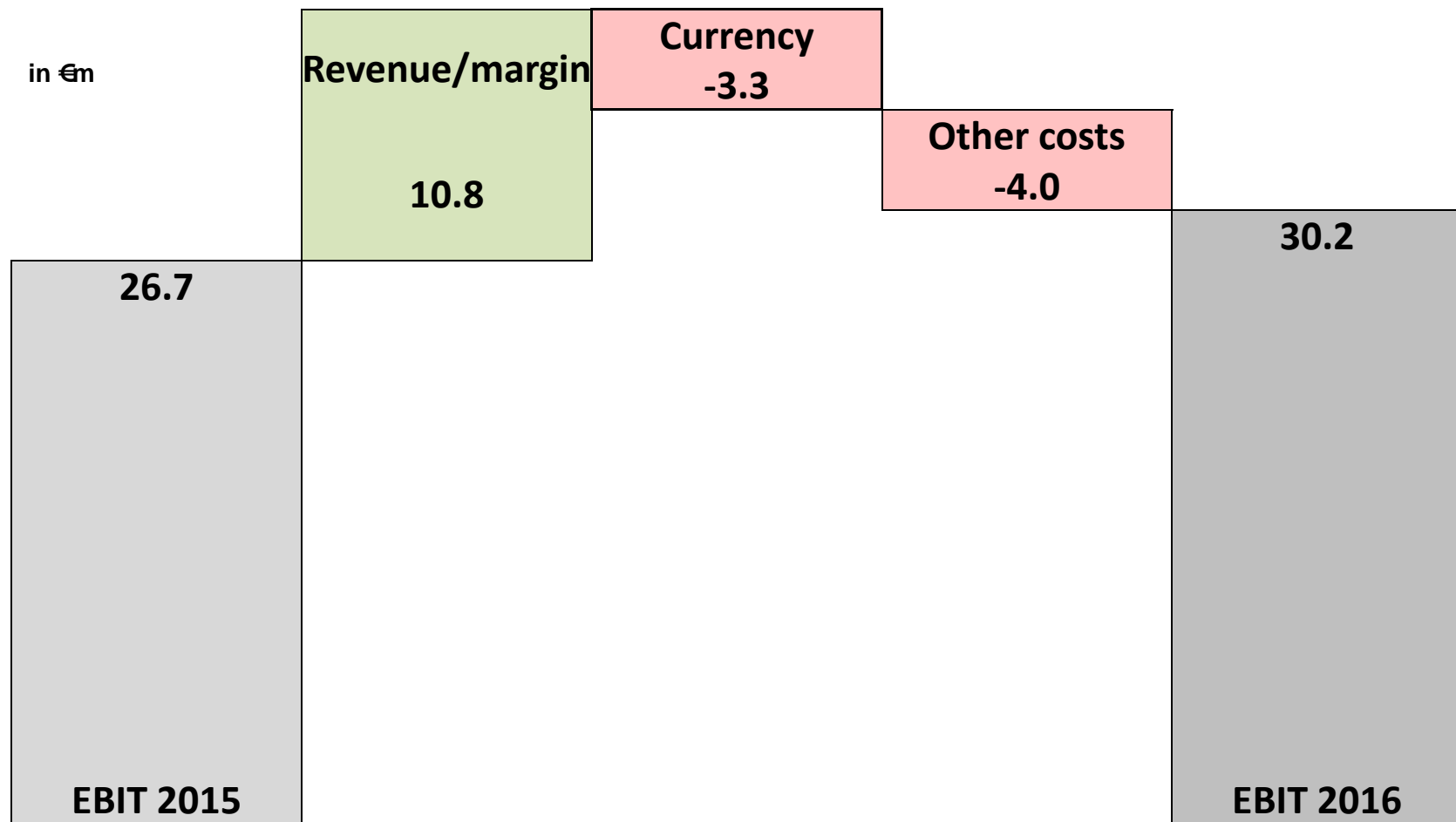


in €m	2016		2015		Change	
Revenue	366.7	100%	360.3	100%	6.3	2%
Other income	8.6	2.3%	11.1	3.1%	-2.5	-23%
Changes in inventories	-0.1	0.0%	1.7	0.5%	-1.9	-108%
Cost of materials	196.7	53.7%	202.2	56.1%	-5.5	-3%
Staff costs	72.4	19.7%	70.8	19.6%	1.6	2%
Depreciation/amortisation	13.7	3.7%	13.4	3.7%	0.3	2%
Other expenses	62.2	17.0%	60.0	16.7%	2.1	4%
EBIT	30.2	8.2%	26.7	7.4%	3.4	13%
Net finance cost	-2.2	-0.5%	-2.0	-0.5%	-0.2	5%
Income taxes	8.6	2.3%	7.5	2.1%	1.1	15%
Profit for the period	19.5	5.3%	17.3	4.8%	2.2	13%

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Higher revenue in US and improved margins
produce growth in EBIT

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Balance sheet total up due to increase in property, plant and equipment as well as cash



ASSETS in €m	31/12/2016		31/12/2015	
Intangible assets	33.9	9%	33.9	11%
Property, plant and equipment	116.7	32%	113.8	36%
Other non-current assets	8.2	3%	5.7	1%
Non-current assets	158.8	44%	153.4	48%
Inventories	69.2	19%	66.9	21%
Trade receivables	52.2	14%	51.1	16%
Other current assets	4.2	1%	10.4	4%
Cash and cash equivalents	74.8	21%	31.9	10%
Assets held for sale	3.8	1%	4.7	1%
Current assets	204.2	56%	165.0	52%
Total assets	363.0	100%	318.4	100%

Annual Financial Statements 2016

Higher equity, increase in pension provisions and financial liabilities



EQUITY AND LIABILITIES in €m	31/12/2016		31/12/2015	
Equity	192.0	53%	182.6	57%
Financial liabilities	22.1	6%	3.9	1%
Provisions for pensions	101.6	28%	89.7	28%
Other provisions	2.7	1%	2.7	1%
Other liabilities	3.2	1%	2.4	1%
Non-current liabilities	129.6	36%	98.7	31%
Financial liabilities	3.4	1%	2.9	1%
Provisions for pensions	1.7	0%	1.7	1%
Other provisions	1.6	0%	2.0	1%
Trade payables	15.2	4%	11.7	4%
Other liabilities	19.5	5%	18.8	6%
Current liabilities	41.4	11%	37.1	12%
Total assets	363.0	100%	318.4	100%

Annual Financial Statements 2016

Financial base remains solid, strong liquidity



in €m	31/12/2016	31/12/2015
Total assets	363.0	318.4
Equity	192.0	182.6
Equity ratio	53%	57%

in €m	31/12/2016	31/12/2015
Cash	74.8	31.9
Financial liabilities	-25.6	-6.8
Positive net cash	49.2	25.1
Undrawn lines of credit	18.9	42.8

- Equity ratio down due to higher balance sheet total
- High level of liquidity and undrawn lines of credit provide scope for investment and further acquisitions

Annual Financial Statements 2016

Higher cash flow from operating activities



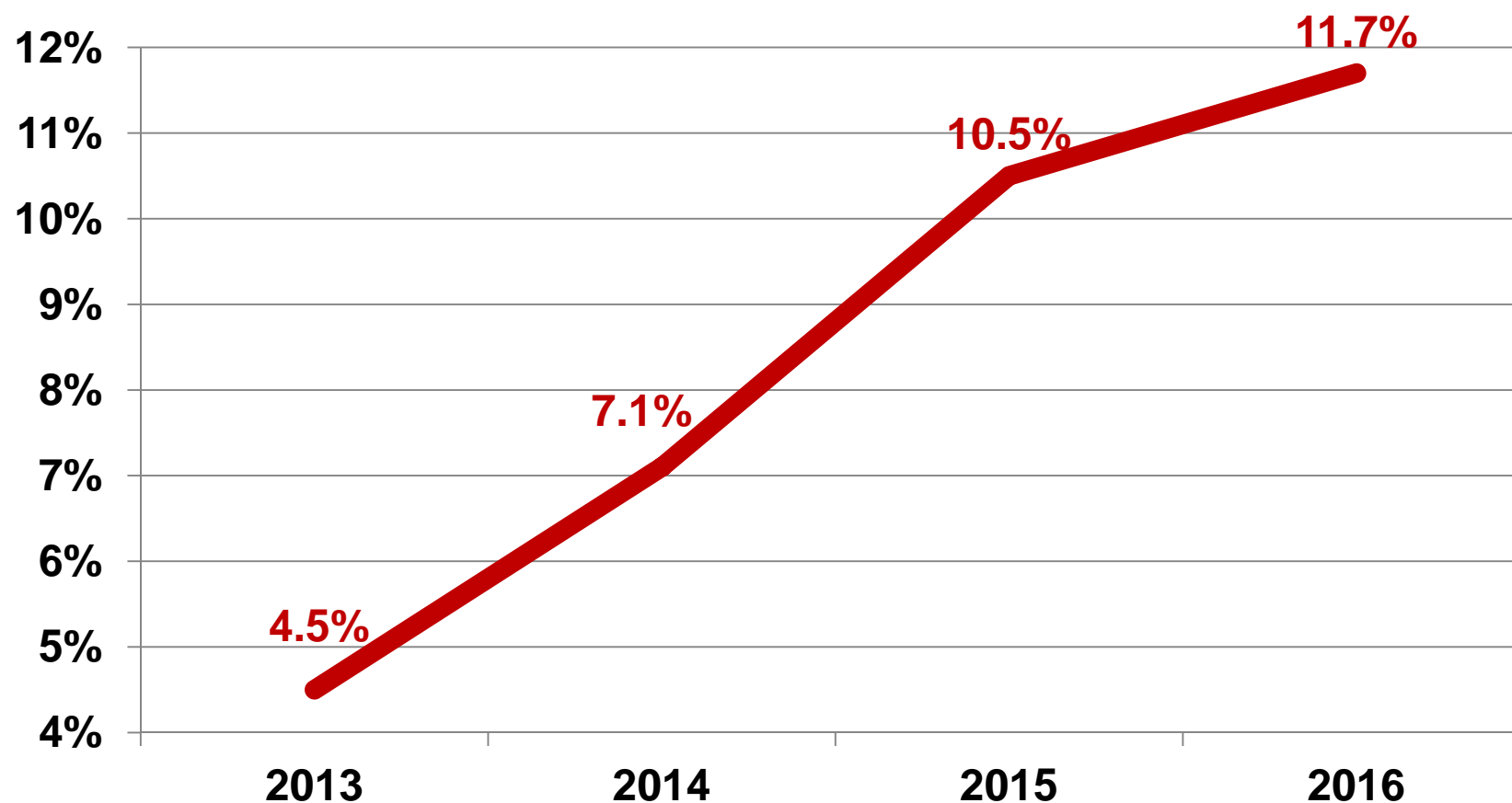
Group cash flows	2016	2015
in €m		
Cash and cash equivalents 1 January	31.9	21.3
Cash and cash equivalents 31 December	74.8	31.9
Change in cash and cash equivalents	42.9	10.6
Net cash from operating activities	42.2	37.3
Net cash used in investing activities	-11.7	-22.1
Net cash from/(used in) financing activities	12.4	-5.7
Influence of forex movements on liquidity	-0.1	1.1
Change in cash and cash equivalents	42.9	10.6

Annual Financial Statements 2016

Further improvement in ROCE



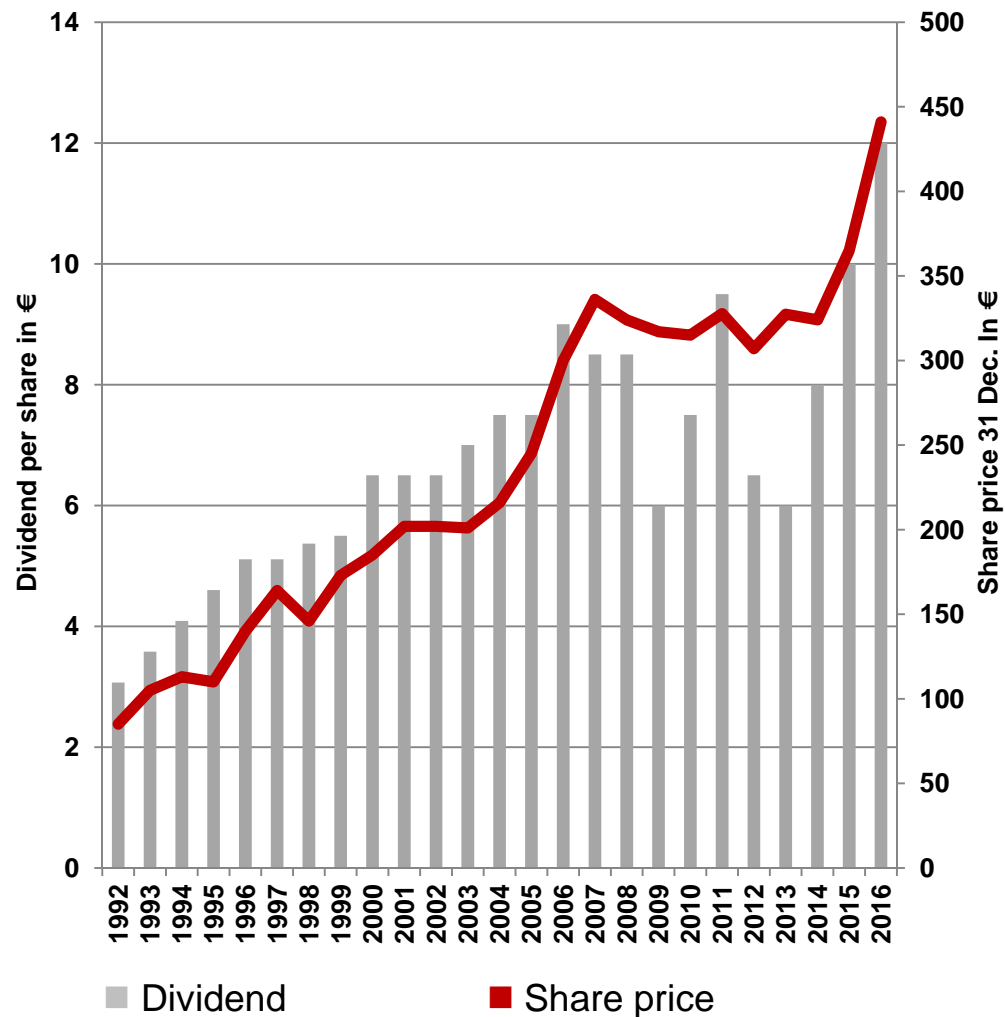
Return on capital employed (ROCE)



Annual Financial Statement 2016

SIMONA stock

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- Earnings per share €32.48 (prev. year: €28.78)
- Dividend proposal €12.00 per share = €7.2 million corresponds to 48% of SIMONA AG's annual profit
- Dividend yield 2.7% (prev. year: 2.7%)
- Share price in January 2017 above €500 for the first time

1st Quarter 2017

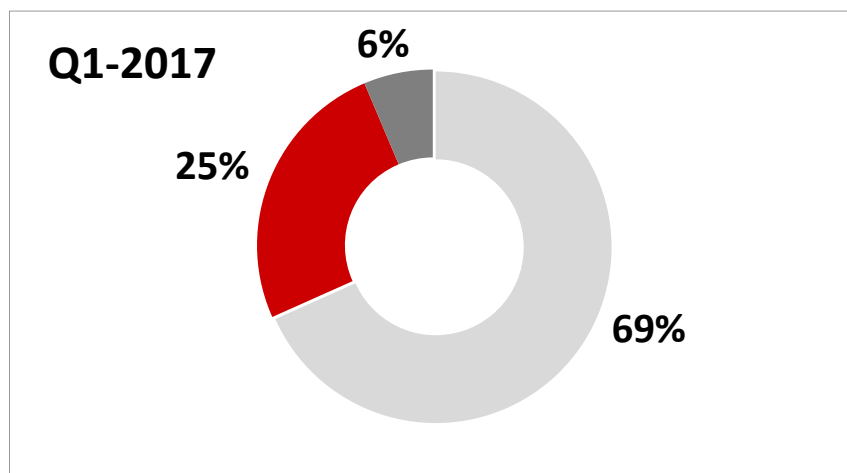
Revenue and earnings up significantly year on year

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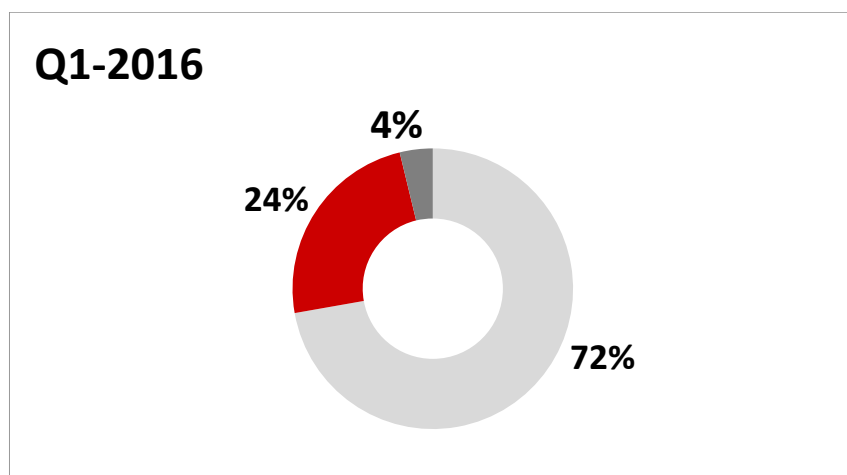
in €m	2017-Q1	2016-Q1	Change
Revenue	98.9	89.0	11%
EBIT	8.4	6.1	39%
% of revenue	8.5%	6.8%	

1st Quarter 2017

Strong revenue growth in USA and Asia/Pacific,
stagnant business in Germany



Europe €68 million	↗ +11%
Germany €26 million	→ 0%

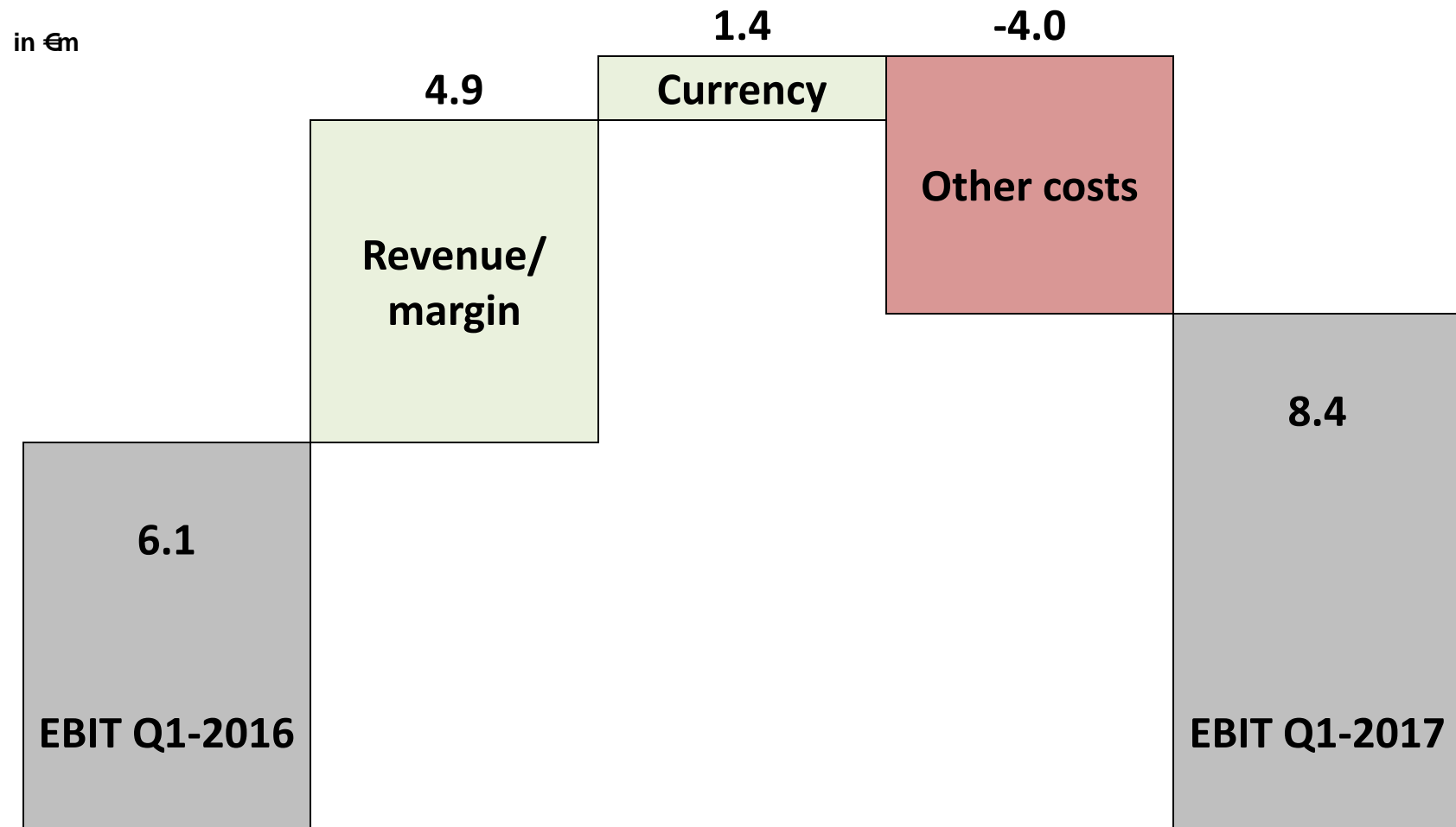


Americas €25 million	↑ +18%
Asia and Pacific €4 million	↑ +86%

1st Quarter 2017

Improved EBIT driven by revenue growth and fewer negative currency effects

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Strategic Development

Key strategic fields of activity

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Efficiency and profitability in Europe

- Efficiency semi-finished products increased
- Restructuring of European subsidiaries completed
- SIMONA Home2025 – Impact of changes in work environment



Accelerated growth beyond Europe

- USA: market share recaptured in industrial business, position in aircraft interior business strengthened
- India: new subsidiary "quiet and successful"



Strengthening our abilities as an innovator

- Further increase in share of new products in total revenue, target of 5 per cent yet to be achieved (2016: 3.7 per cent)
- R&D expenditure expanded to almost €4m

Strategic Development

What are our objectives for 2017?

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Europe

- Semi-finished Products: further improvement of profitability
- Growth pipes and fittings

Asia and Pacific

- “how to make money“
- Sustained development of organization

USA

- Access to global mass transport
- Invest in operational excellence Archbald

Strategic Development

SIMONA 2025

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Strategic milestones

- Business model
 - Industry 4.0
 - Digitalisation
 - Commodities vs. specialties
- Leading global plastics processor
- M&A in 3 hemispheres (Europe, USA, Asia)

Forecast 2017:

Revenue: €370-380 million

EBIT: €25-30 million