

Bond investor roadshow
Extra materials

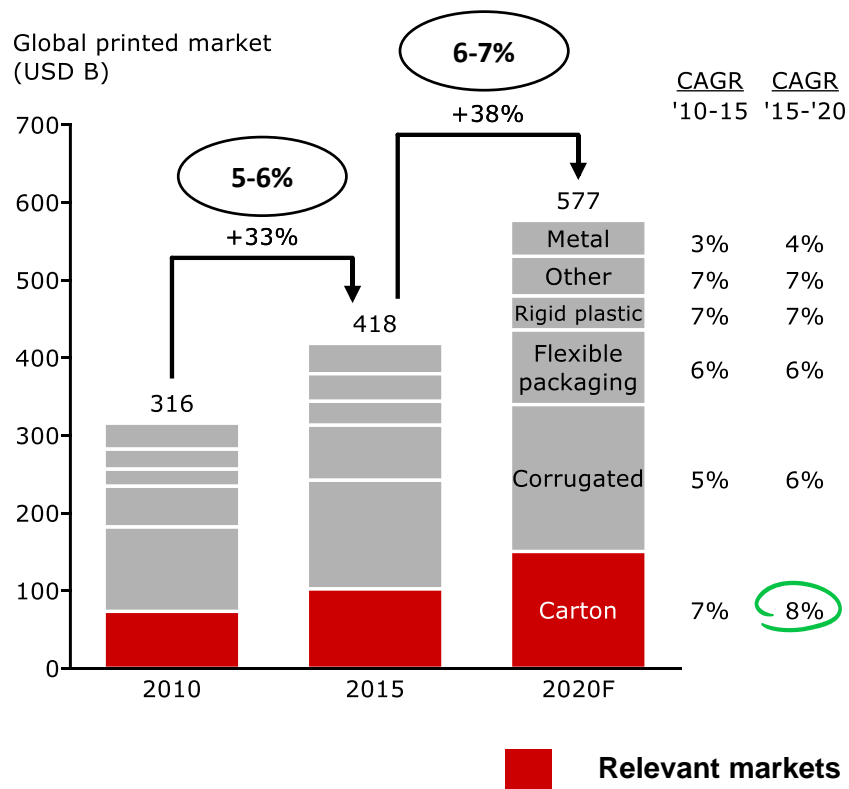
TRESU Investment Holding A/S
March 2019



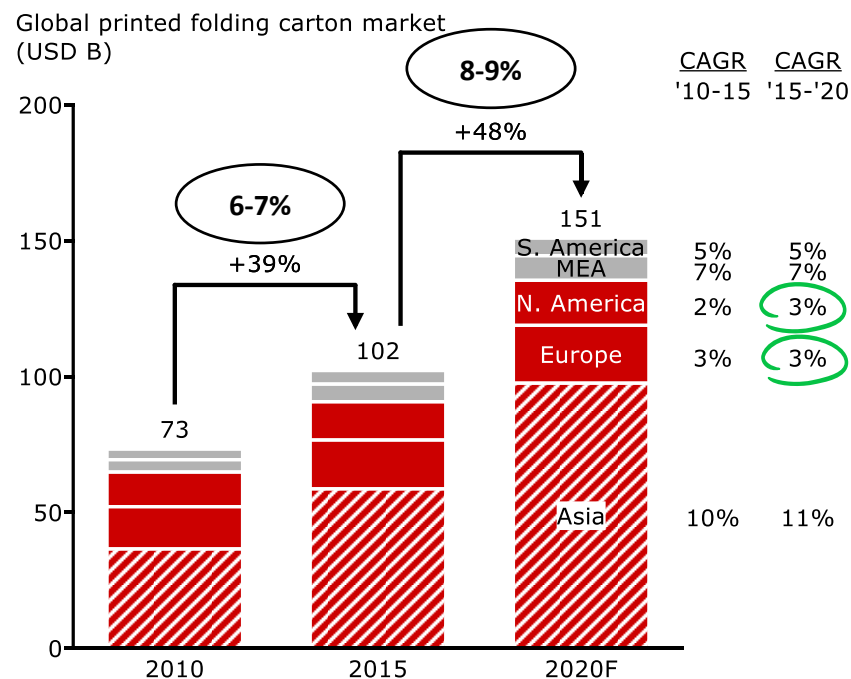
BRINGING FLEXOGRAPHIC TECHNOLOGY TO A HIGHER LEVEL

Tresu operating in attractive printed packaging niches


Folding carton is fastest growing material within printed packaging



EU and NA printed folding carton market growing at ~3%



Global trends underpinning industry growth

		Printed packaging implications		Impact on Tresu
Demographics	Income growth in emerging economies		<ul style="list-style-type: none"> GDP per capita in emerging markets expected to continue growing at mid to high single digit p.a. over next 5 years, driving demand for packing across folding carton, liquid packaging, hygiene and pouch products 	
	One-person households		<ul style="list-style-type: none"> One-person households expected to increase ~45% by 2030 compared to 2000, driving demand for smaller sizes and greater quantities, and therefore more packaging 	
Branding & marketing	Increased # of products		<ul style="list-style-type: none"> # product SKUs in supermarkets increased significantly driven by marketing, branding and increased localization benefiting digital printing However, SKU proliferation lowers the volume per print run (the more volume per SKU, the better ROI on Tresu's large machines) 	 
	Increased branding		<ul style="list-style-type: none"> Branding becoming increasingly important as way to market and differentiate, driving demand for print within paperboard Customisation and theme-based packaging for digital printing 	
Wellbeing	Safety / traceability		<ul style="list-style-type: none"> Customers demanding security, traceability and preservation. Flexo and digital technologies can be combined to print e.g. QR codes for source traceability on packaging Regulation for serialisation also driving demand for digital printing 	
	Sustainability		<ul style="list-style-type: none"> Greater focus on environmental impact and recyclability of packaging expected to favour carton solutions (cf. recent EU legislation against use of plastic) <ul style="list-style-type: none"> – Flexo's ability to use recycled paper and water-based (cf. solvent) ink 	

Tresu delivers a superior ROI for high performance and high productivity focused players

Flexo Inline USPs



Superb quality on par with offset and gravure

Flexo print quality has increased dramatically in past decade and now matches offset and gravure printing



Fastest speed in industry (~800m / min)

Industry leading speed of Tresu's Flexo Innovator makes them ideal for large volumes



High OEE

Combination of high speed, quick changeover, low downtime and waste proven by installed base to date



Low cost per print

Savings in labour and materials translate into strong value proposition for user



Sustainability front-runner

Ability to print on recycled and lower-grade paper minimises printing costs and environmental footprint

Digital & Ancillary USPs



State-of-the art coating

Includes variety of finishes and coatings (water-based and UV coating) to add value for users



Quick-sleeve change

Allows production of jobs of any size and quick changeovers



Leading chamber doctor blades

Market leader within one of most critical system components across all printing technologies



High automation level

Automated viscosity control and clearing cycles on e.g. ink control systems requiring fewer FTEs



Advanced thermodynamics

Individual cooling and heating for best substrate treatment leading to less energy and better quality

Tresu's technology ultimately offers lowest cost per print job for segments targeted, while enabling higher focus on the environment

Large part of Tresu's profit comes from more standardised / recurring business segments

	Segment	Capital vs aftermarket	Degree of engineering	Print technology addressed	Share of 2019 revenue / GP
Project-based ↑ Standardised production ↓ Recurring / installed base	Flexo Inline	Capital	Made-to-order	Flexo	Rev: ~30% GP: ~15%
	Digital Solutions	Capital	Off-the-shelf (designed into OEM models)	Digital	Rev: ~5% GP: ~5%
	Ancillary	Aftermarket ¹	Off-the-shelf (incl. designed into OEM models)	Flexo, Digital, Offset & Gravure	Rev: ~35% GP: ~40%
	Aftermarket & Service (AMS)	Aftermarket	Trad. AMS:² Off-the-shelf ----- Upgrades: Made-to-order	Flexo, Digital, Offset & Gravure	Rev: ~30% GP: ~40%

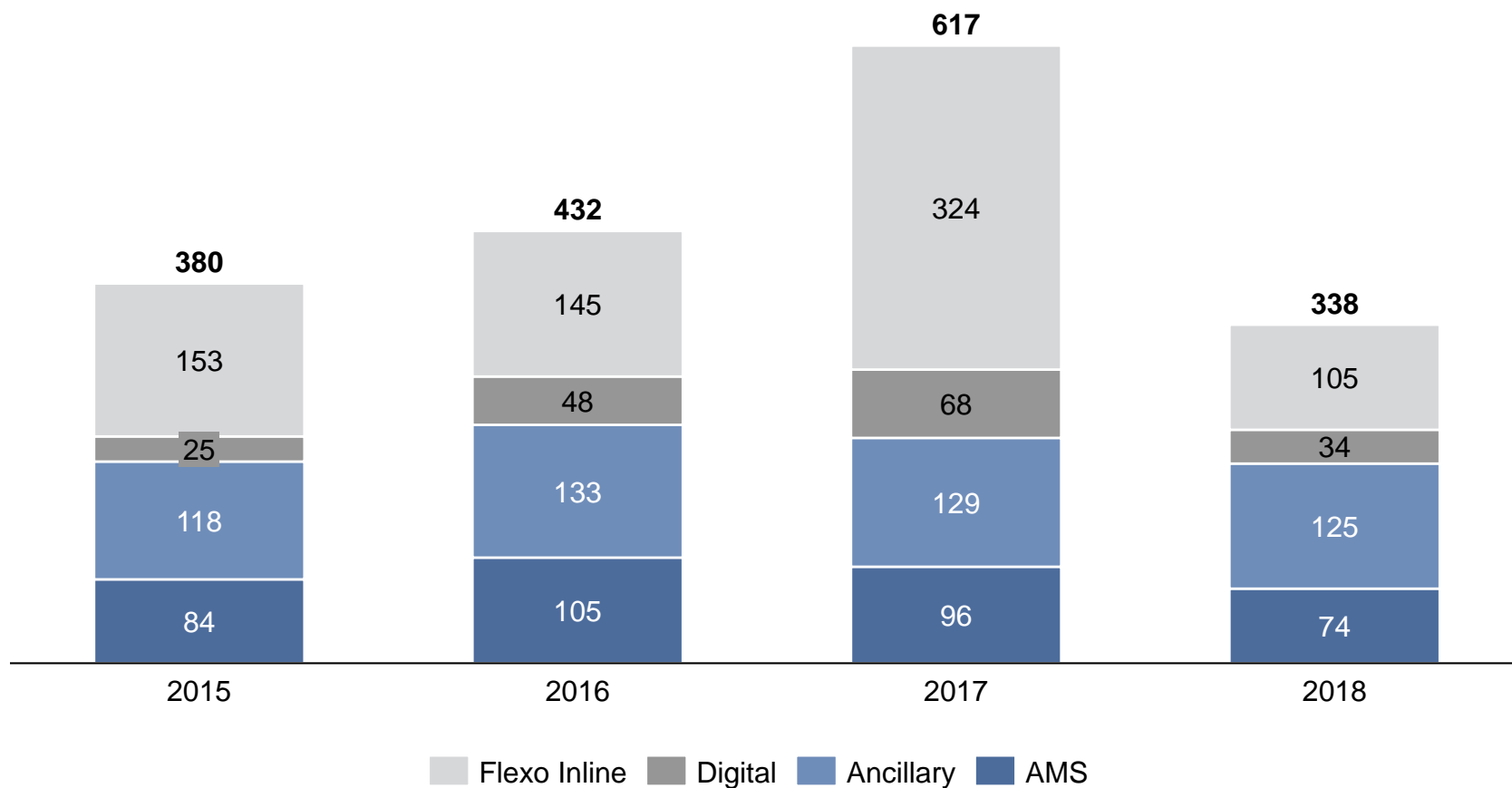
Ca. 65% of sales and 80% of gross profit comes from Aftermarket & Ancillary

(1) Considered Aftermarket in nature. Ancillary sales comprise OEM and end-user sales.
 (2) Spare parts, consumables and service.

Not adequately prepared for rapid expansion in 2016-17

From Q4 2018 presentation

Revenue | DKKm



Note: FY15-16 based on Sep FYE.

80% of losses driven by a few large projects and Digital

Comment

Project cost overruns
DKK ~65m

- Cost overruns primarily on few large projects in old order book
- P&L hit taken in 2018

Tightening of acct. practices
DKK ~20m

- Warranties, inventory etc. mostly related to large projects and Digital
- One-off effect in 2018

Expensed product development
DKK ~15m

- Tightened criteria for capitalisation in Digital segment
- One-off effect in 2018

Oversized organisation
DKK ~40m

- Organisation over-dimensioned for sales volume in 2018
- Addressed via 27% FTE reductions in Q3 and Q4 2018

Return to profitable growth with healthy liquidity buffer in 2019

2019 Key metrics	Key drivers
Revenue growth	<p style="text-align: center;">● — In the area of 20-30% — ●</p> <ul style="list-style-type: none"> • Ancillary • Aftermarket & Service (AMS) • Solid capital sales order backlog
Gross margin %	<p style="text-align: center;">● — 25-35% — ●</p> <ul style="list-style-type: none"> • Improved end-to-end processes • Reduce technical risk on new projects
Opex % of revenue	<p style="text-align: center;">● — 20-25% — ●</p> <ul style="list-style-type: none"> • Lower cost base from right-sizing (executed in late 2018)
Adj. EBITDA margin	<p style="text-align: center;">● — 5-10% — ●</p>
Available liquidity	<p>Available liquidity of DKK ~85m post shareholder contribution providing sufficient flexibility for implementing the turnaround plan</p>

Note: All figures and ranges adjusted for any potential one-offs effects from supply chain transformation and factory relocation.

Liquidity maintained at EBITDA of DKK 30m

Cash breakeven EBITDA	
Cash EBITDA	30
Maintenance capex (ex new factory)	-10
Taxes	0
(Inc) / dec in NWC (net of improvements)	20
Unlevered FCF (ex effect new factory)	40
New factory one-off capex	-12.5
Unlevered FCF	27.5
Interest	-27.5
Change in cash	0

Comments
<ul style="list-style-type: none"> • Maintenance capex incl. R&D of 1.5-2.0% of sales • Zero tax expected for next couple of years due to losses carried forward • A focused effort to reduce NWC will create at least DKK 20m (net) in liquidity with impact in H1 2019 <ul style="list-style-type: none"> • Bringing forward sales of Digital units in inventory • Reduction of receivables • Reduction of inventory level commitment • One-off capex of DKK 12.5m relating mostly to equipment and interior • Sale of existing real estate <u>not</u> included

Note: All figures and ranges adjusted for any potential one-offs effects from supply chain transformation and factory relocation.

Journey to industry leadership



Strengthen organization and performance culture
Medium-term leverage below 4x in 2021
2021E EBITDA of ca. DKK 100m but with higher long-term earnings potential

Appendix: Segment profiles

Flexo Inline

Description

- Started with first flexo Inline printer sold to Tetra Pak in 1991
- Tresu has since delivered 100% of Tetra Pak's flexo inline printers and formed a collaboration continuously to improve productivity and quality while reducing consumption
- With technological expertise gained from collaboration, Tresu has since 2007 expanded into other applications with its Flexo Innovator
- Smaller machines includes hygiene / pouch as well as special machinery, which Tresu has a long history with numerous printing and non-printing customers

Select customers

Customers

End-market

Tetra Pak	Liquid packaging
Graphic Packaging	Folding carton
Westrock	Folding carton
Essity	Hygiene
P&G	Hygiene / pouch

Key products

Description

Flexo Innovator

- Flexo inline presses for paper and paperboard, including liquid packaging, folding carton and paper cups / plates, and scratch-off lottery



Hygiene / pouch

- Smaller inline printing machines for feminine and inco care products, and pouches / pods with detergents and similar consumer products



Special machinery

- Includes machines for catalyst coating (e.g. diesel), gluing, colour stacking and non-woven printing



Digital Solutions

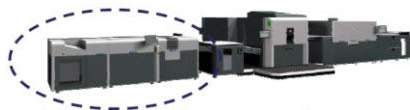
Description

- Coating and primer units sold to digital printing OEMs for packaging and commercial applications
- Sales process typically handled directly by the OEMs, who also source aftermarket products, including critical service, from Tresu AMS
- A large proportion of digital printers for packaging are sold with Tresu coating units, with the largest end-markets being pharmaceuticals, luxury products and cosmetics

Key products

iCoat

- Inline coating solution for digital sheet-fed folding carton production on HP 30000 / HP Scitex



Web-primer

- Inline primer solution for web digital printing of photo-books, publications etc. on HP Indigo 50000



Value chain and select customers

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- Coating units
- Primer units

OEMs

HP

Océ-Canon

Xerox

End-users

Nosco

MPS

Heret

DigiLink

...and various other digital printing converters, specialising in short-runs

Ancillary

Description

- Critical systems including CDBS and ink control for OEMs of flexo, digital, and offset presses and end-users e.g. converters
- Products can add significant value to printer functionality and cost efficiency
- Relationships are sticky as OEM machines are largely aligned with Tresu components, making switching costs high and typically not worth potential risk
- Includes service, spare parts and upgrades, much like Aftermarket & Service (AMS) but to OEMs and users of non-Tresu equipment (see following slide)

Customers by type

OEMs

- Various printing OEMs, including Tresu's own capital sales competitors
- OEMs have typically outsourced production of various systems and components to focus on core machine competencies, while Tresu Ancillary can benefit from scale

End-users

- Includes various packaging and other printing converters with non-Tresu capital equipment
- Ancillary products used to maintain or upgrade performance, and extend machine life

Key products

Chamber doctor blade systems (CDBS)

- Ensures exact amount of ink is applied to anilox roller and there is no contact with air or contaminates before application to substrates



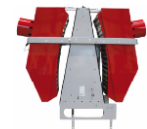
Ink control systems

- Proprietary ink control systems that measures various parameters, improves changeover times, produces uniform results and reduces consumption



Other systems

- Includes printing plate cleaning systems, drying and chilling units, water and coating circulators



Aftermarket & Service (AMS)

Description

- Aftermarket & Service (AMS) products:
 - **Traditional:** Spare parts, service, consumables
 - **Upgrades:** To increase machine functionality and useful life
- Increasing business as a result of increasing installed base in both Flexo Inline and Digital Solutions with sticky customer relationships
- 24 / 7 global service offers assistance in event of breakdowns and other issues
- Significant untapped potential to be captured via more proactive lifecycle management of Tresu printers sold and targeting competitor installed base

Key products

Spare parts

- Includes larger systems such as chamber doctor blades as well as components such as pumps, springs, hoses etc.

Consumables

- Cleaning liquids, varnish, blades and seals etc.

Service

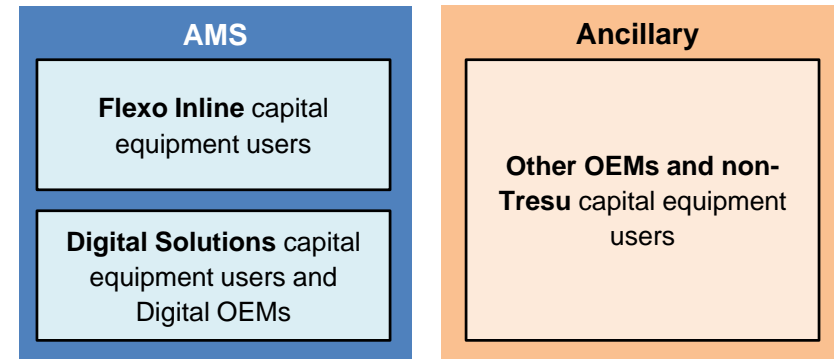
- 24 / 7 global service to assist with breakdowns as well as general and preventative maintenance needs

Upgrades

- Larger systems for retrofit and improvements, including ink control systems, drying hoods, cleaning systems, heat exchangers and safety updates

Value chain and customers by type

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See previous slide on Ancillary segment