MASTERFLEX GROUP
Connecting Values

Masterflex Group May 2018

MASTERFLEX | MATZEN & TIMM | NOVOPLAST SCHLAUCHTECHNIK | FLEIMA-PLASTIC | MASTERDUCT | APT

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Technology leader in high-tech hoses and connection systems

- Founded in 1987 in Herten, Germany
- 14 locations in Europe, America and Asia
- Recognized multiple times as a technology leader
- 2017: Growth with sustained improvement in operating EBIT
  - Revenues up 12.3% to € 74.7 million
  - Operating EBIT up 16.1% to € 7.1 million
- Significant extension of growth strategy in 2017
- Active role in consolidation of the high-tech hoses market

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Business Model

Specialist in the Hoses Market

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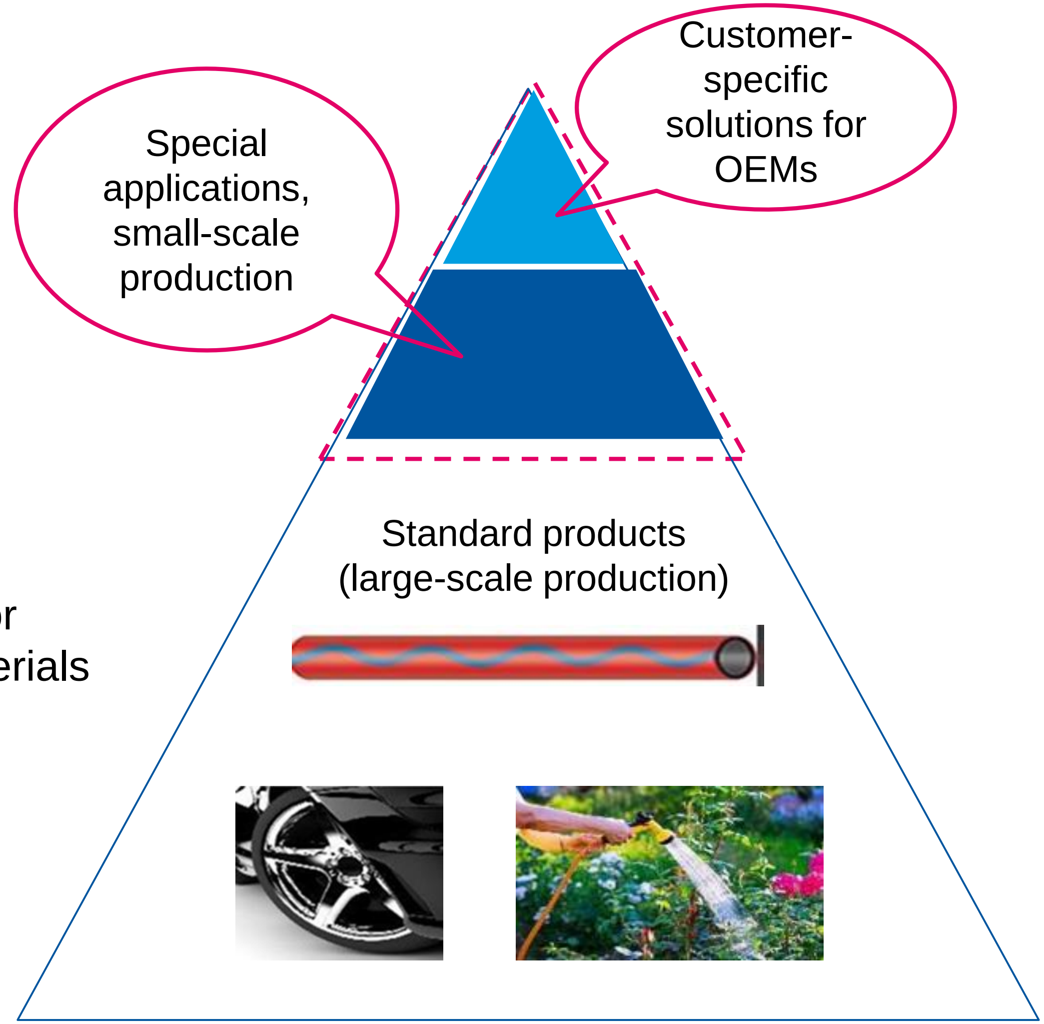
Segments by products and lot sizes

- **Overall** market volume: € 21 billion (Europe, America, Asia)
- Volume of **specialty hoses** market: € 2 billion
- **Our** long-term **goal**: € 200 million in revenues
- **Our solutions: durable** connections for transport of gases, fluids and solid materials satisfying **special** requirements
- **Service-focused** sales with our own development services



Data: ProdCom/Eurostat; own compilation

Masterflex Group products: everything from a single source

Consumer Sectors with Special Requirements

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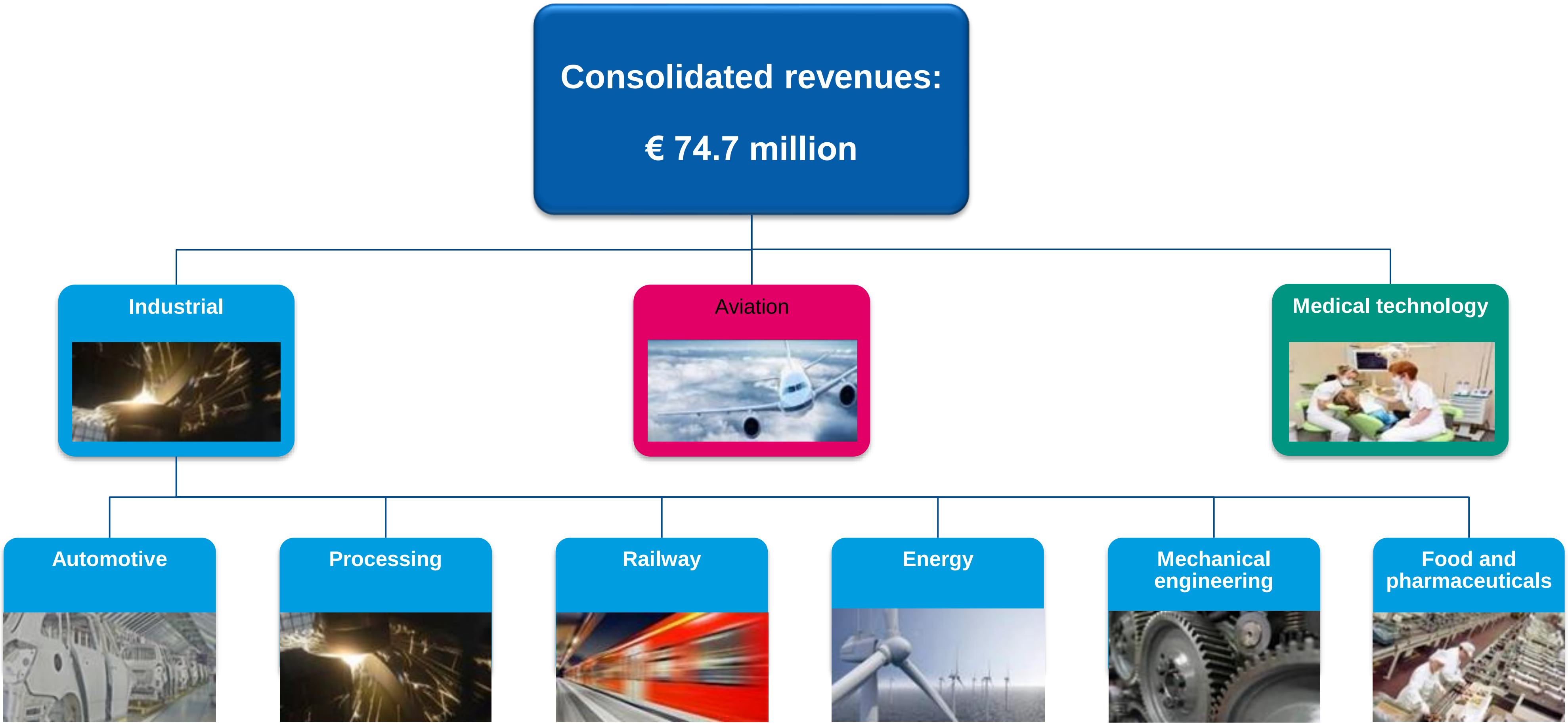

Product Portfolio Expanded

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Brand	Product	Materials	Competitors
MASTERFLEX		PU, PVC, fabric	Schauenburg, Norres, Merlett
MATZEN & TIMM		VMQ (silicone), CMS (Hypalon®)	Hutchinson, MST, Flexfab
NOVOPLAST SCHLAUCHTECHNIK		PU, PVC, PA, PE	Modenplast, Medi-Line, Raumedic
FLEIMA-PLASTIC		PC ABS, PVC	Borla, Promepla, miscellaneous
MASTERDUCT		PU, PVC, metals	Hi-tech Duravent, Flexaust, Kanaflex
APT		FEP, PFA, PTFE	Optinova, Saint Gobain

Overview of APT Advanced Polymer Tubing

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Our new subsidiary

- Acquired on 1 January 2017
- Founded in 2011
- Product portfolio: tubing with diameter of 0.2 to 130 mm and shrink tubing
- Sales mostly in German-speaking countries
- Around 30 employees
- Revenues in mid-single-digit EUR millions with double-digit EBIT margin
- Continuity in APT's management
- Strong sales potential: new regions and target industries
- Group acquires additional technological and materials expertise

Additional Growth through M&A

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Criteria for further acquisitions in the hoses market

- **Business model**: Target company develops or manufactures hoses, hose systems or connection systems, or materials/components for those products
- **Materials expertise**: Focus on high-tech plastics and other synthetic polymers
- **Regional focus**: Regions of the internationalization strategy
- **Consumer sectors**: Focus on "white" industries (medical technology, food, pharmaceuticals)
- **Profitability**: Focus on strong and sustained EBIT margin
- **Products**: Expanding Masterflex Group's portfolio

Growth Strategy: Extension

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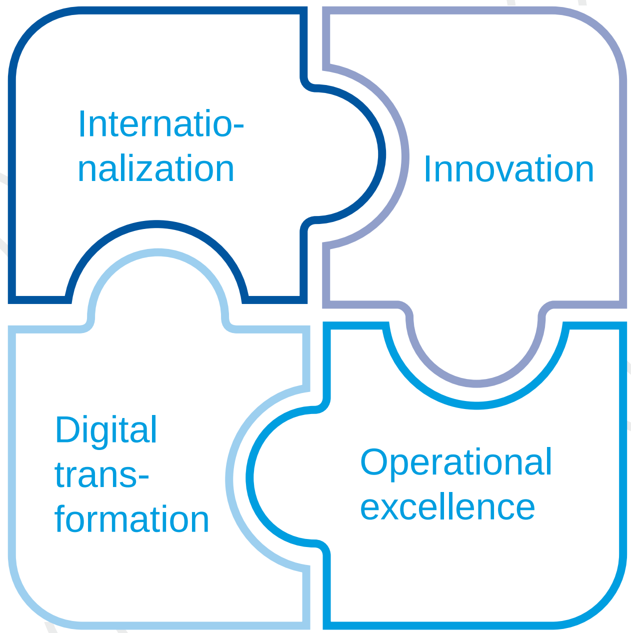
- Developing disproportionate potential in America and Asia
- Stronger revenue balance between Europe and America/Asia

- Expanding technology leadership
- Very close cooperation with customers in development work
- Leading solutions for flexible connection systems with high-tech plastics



- Digitizing our products
- Creating new service offerings
- Industry-4.0-capable machine park
- Increasing the company's agility

- Basis for profitable growth and revenues over € 100 million
- Measures for scaling and improving efficiency
- New areas of expertise

Digital Transformation in the Product Segment

Network-compatible and intelligent hoses

- Implementation of added digital functions
- Customer- and application-specific added value
- Nucleus for smart services

  – with potential for new business models

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Financial Data

Clear Revenue Growth

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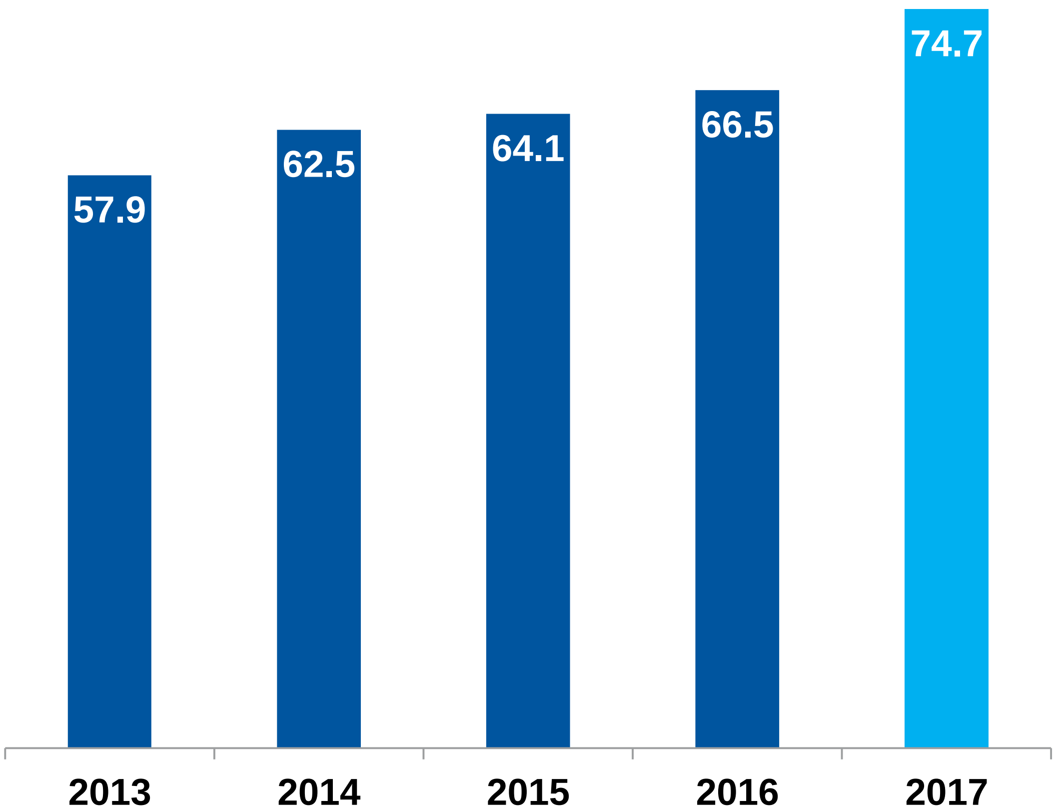
Consolidated revenues

in € millions



2017: growth exceeds forecast

- Revenues up 12.3%
  (previous year: up: 3.7%)
- 1/3 organic growth
- 2/3 of growth through acquisition of APT Advanced Polymer Tubing GmbH
- Broad-based growth at nearly all locations

Improvement in Operating Earnings

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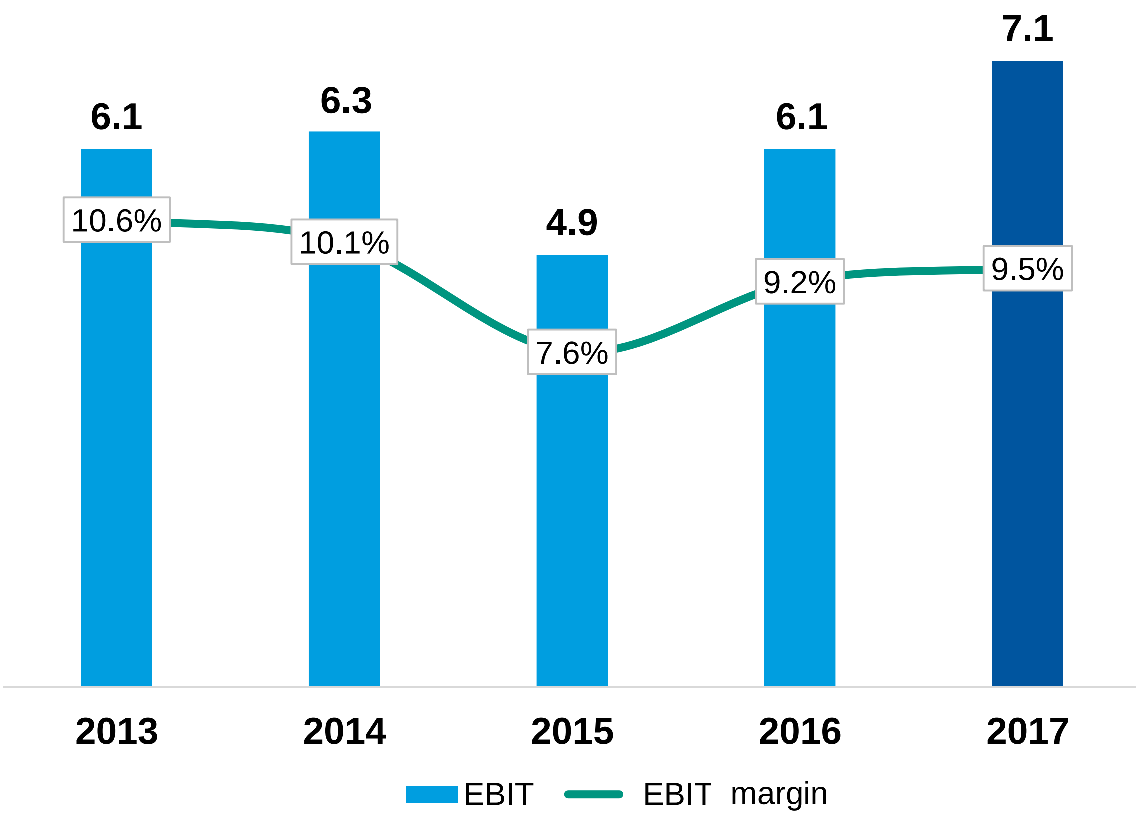
Consolidated EBIT and EBIT margin (operating)

in € millions



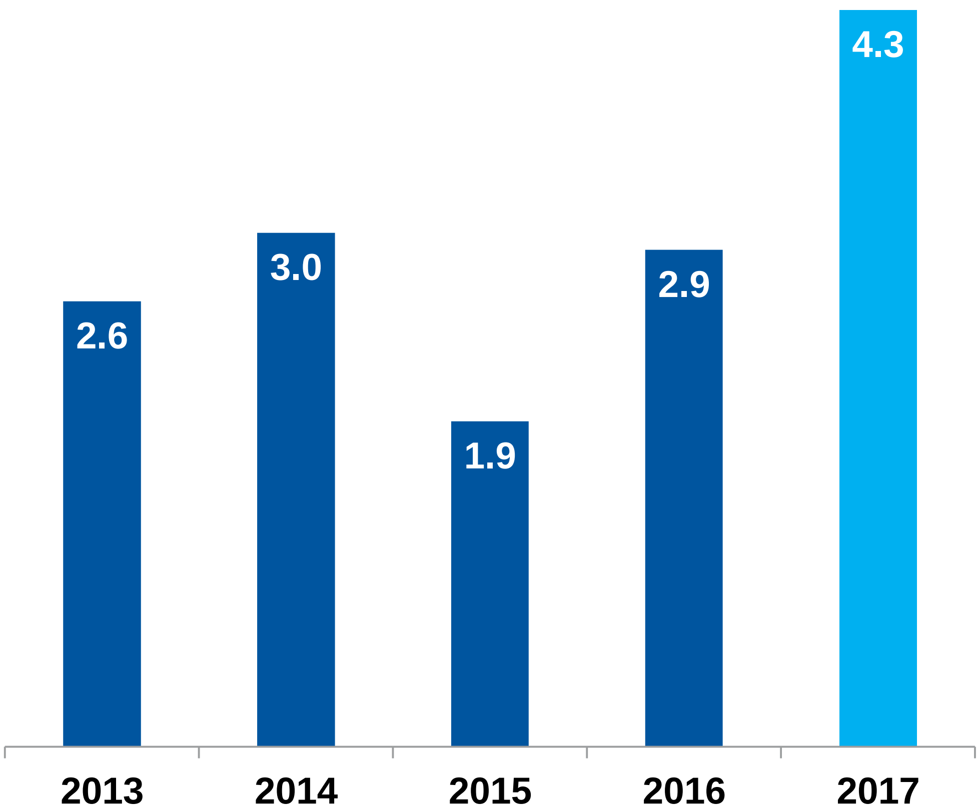
Further improvement in profitability

- Earnings growth forecast met
- Target margin of 10% just missed
- Unexpected one-off effects of around € -0.4 million
- Cost of materials ratio: 32.2% (previous year: 31.0%)
- Personnel expense ratio: 37.8% (previous year: 39.5%)
- APT already making a positive contribution to earnings

Jump in Net Income

Consolidated net income

in € millions



2017 net income up 47.2%

- Net financial income: € -1.2 million (previous year: € -1.3 million)
- Earnings per share: € 0.45 (previous year: € 0.34)
- Includes one-off tax effects
- Dividend proposal: 7 ct/share (previous year: 5 ct/share)
- Continuation of new dividend policy adopted in 2017: constant distribution at level at least as high as previous year

Equity Strengthened

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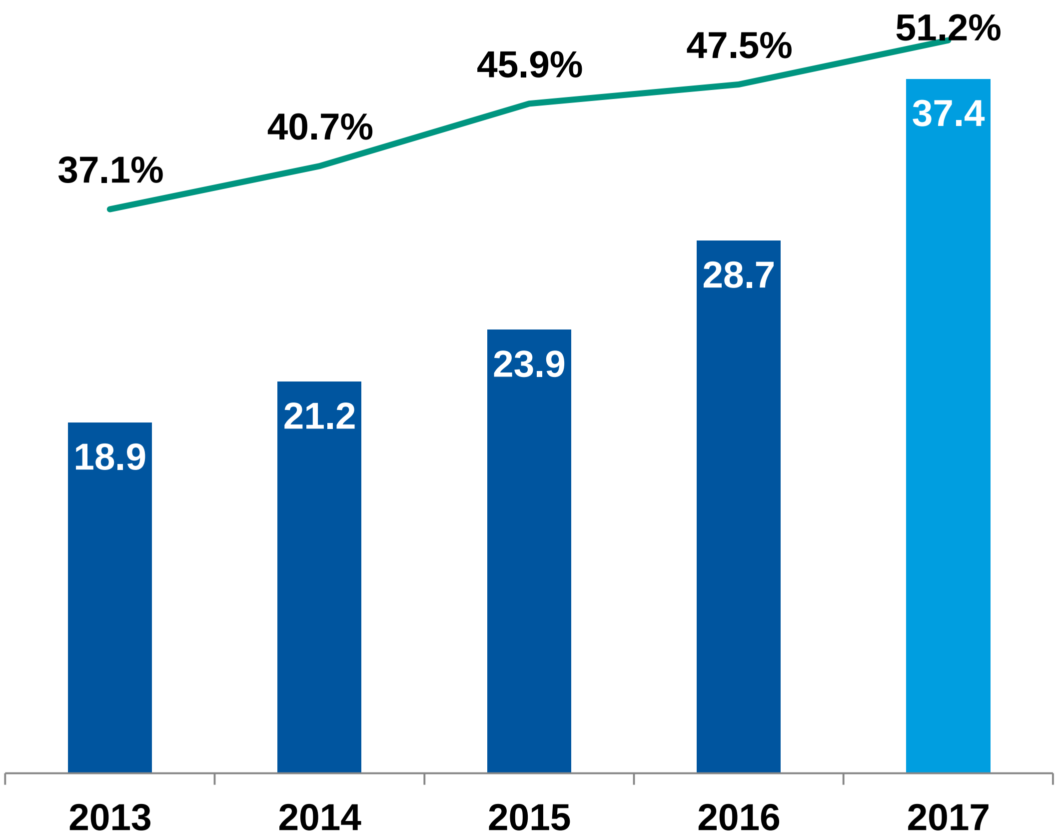
Consolidated shareholders' equity & equity ratio

in € millions



Equity up by 30.3%

- Influx of funds from cash capital increase in the amount of € 5.9 million
- Consolidated earnings of € 4.3 million
- Negative effects from currency differences
- Masterflex SE's equity ratio at around 60%
- Solid basis for further growth and continuation of the dividend policy

Solid Balance Sheet

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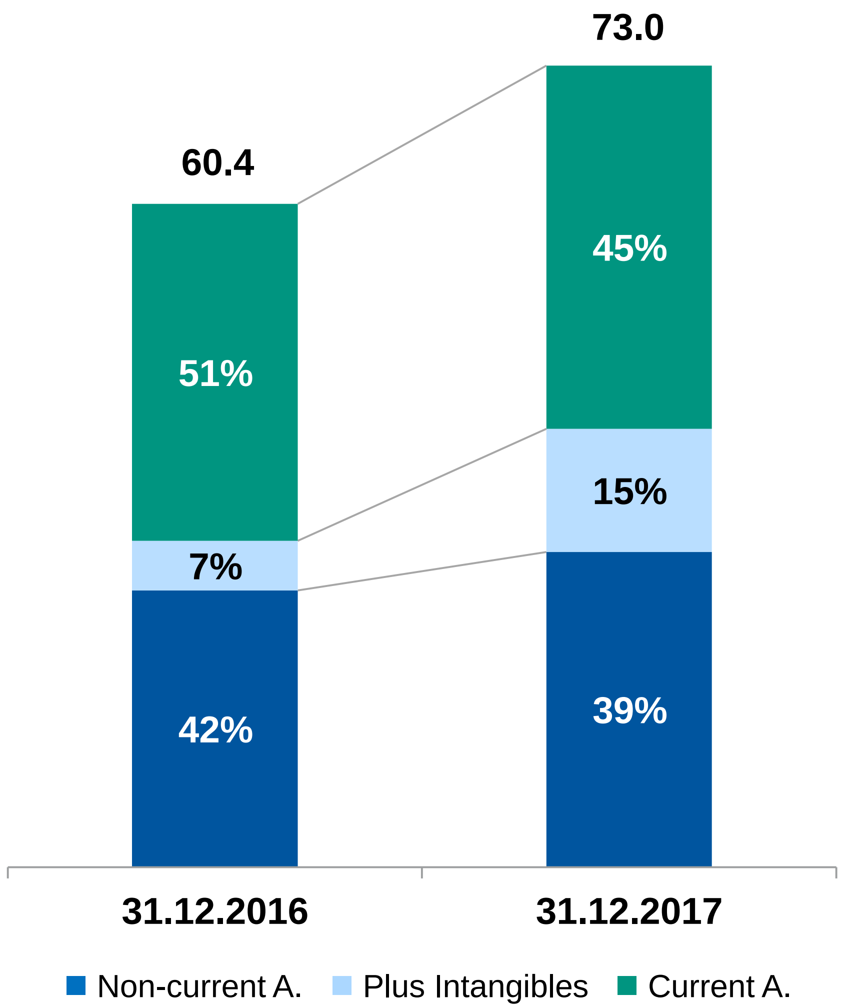
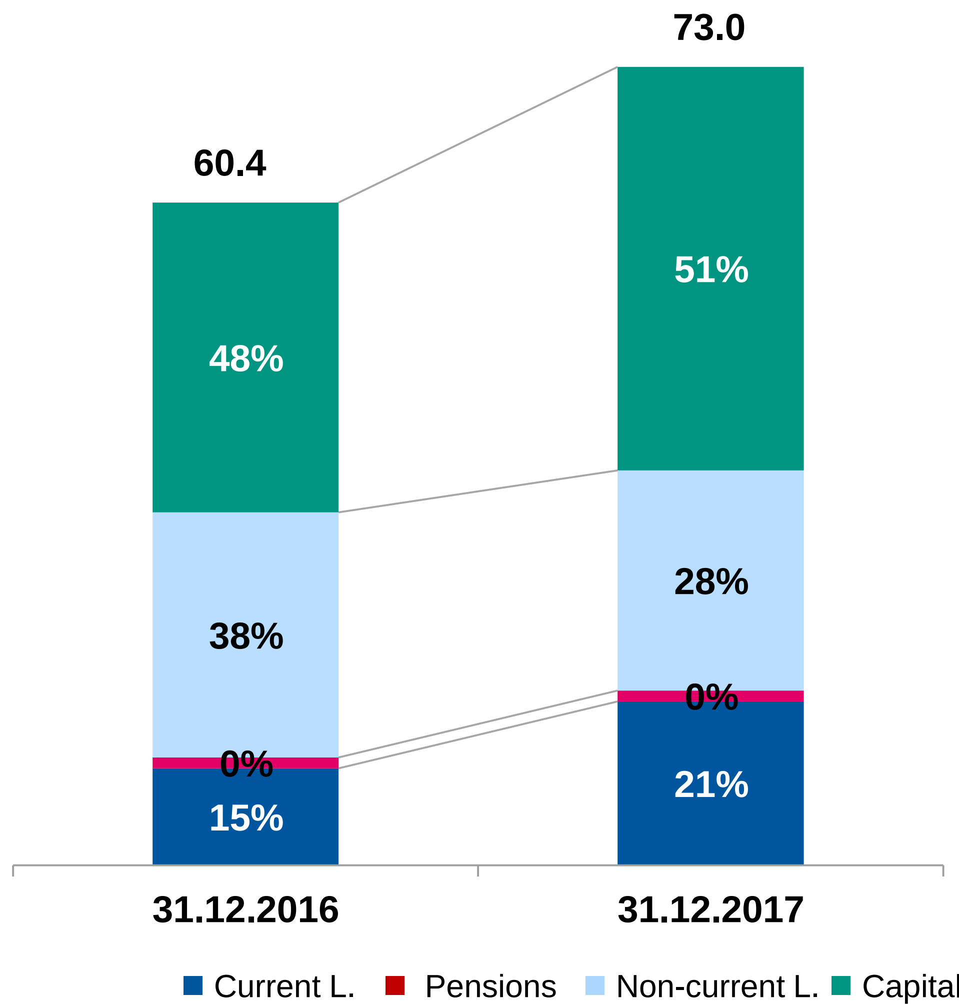
Change in ASSETS



Change in LIABILITIES



Cash Flow Strengthened

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Cash flow and investments

in € millions

	2016	2017
Operating cash flow	6.2	8.3
Cash flow from investment activities	-8.7	-13.4
Cash flow from financing activities	1.8	6.9

Internal financing capacity and capitalization improved

- Operating cash flow up by 34.2%
- Investments in 2016 and 2017 well above the multi-year average due to construction of an annex at the Gelsenkirchen and the APT acquisition.
- Mid-year utilization of the acquisition facility and partial repayment to € 9 million.
- Cash flow from financing shaped by the cash capital increase.

Q1/2018: Satisfactory Start

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Key figures of 1st quarter

in € millions

	2017	2018
Revenues	20.0	20.0
EBITDA	2.7	2.8
EBIT (operating)	2.0	2.0
Net income	1.0	1.2
EPS (€)	0.10	0.13

Stable revenue and earnings development

- Revenue level of the very strong first quarter of 2017 confirmed
- Earnings slightly exceeded the good figures of the prior-year quarter
- EBIT margin at previous year´s level of 9.8 %
- Significant net income and EPS growth

Q1/2018: Stable Development with Potential

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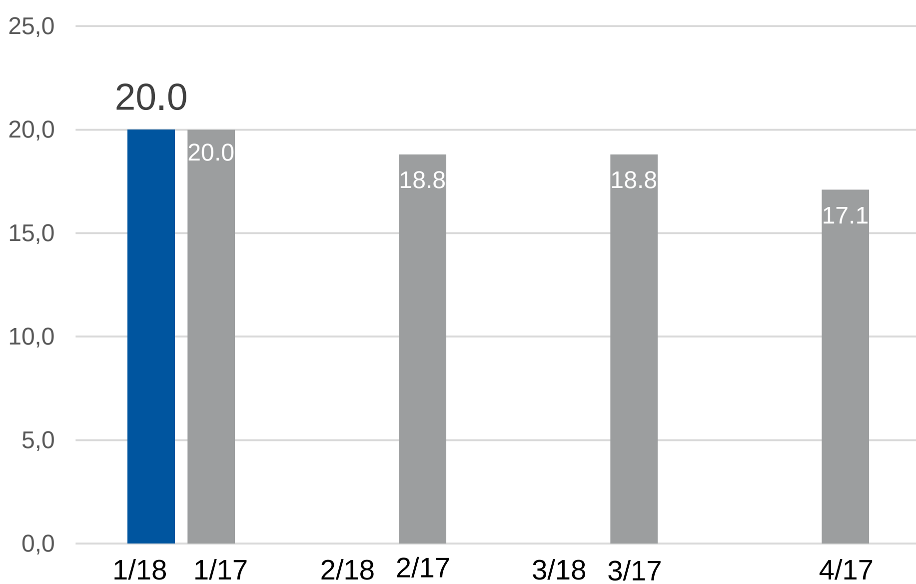
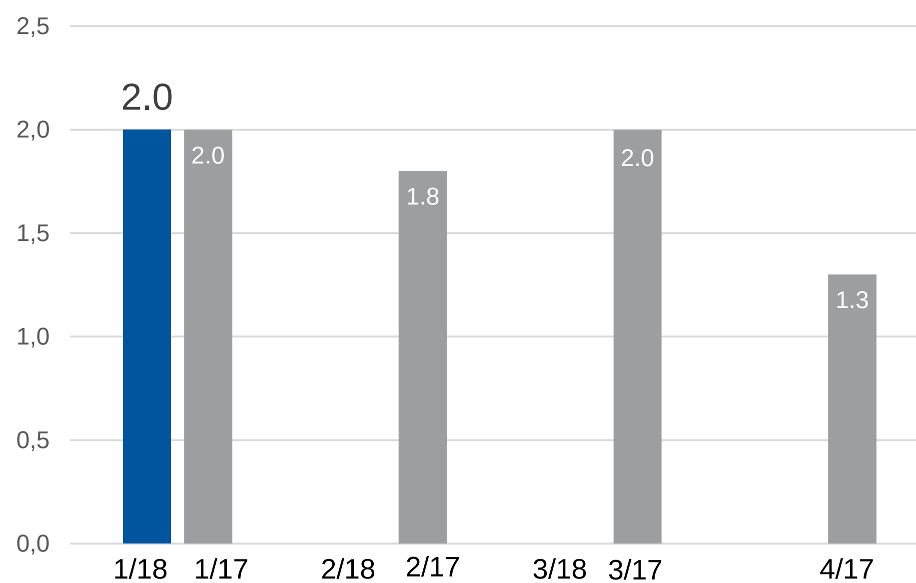
Quarterly revenues
in € millions



Quarterly EBIT
in € millions



Potential for further growth

- Dampening effects on revenues in the 1st quarter lead to high order backlog
- End of 2012 litigation without impact on results in 2018

Our Outlook

Forecast for 2018

- **Revenue growth** between 4% and 8%
  (i.e. revenues of between € 77.7 million and € 80.7 million)
- Confirmation for current **earnings power**
  (i.e. operating EBIT up from previous year's value of € 7.1 million)

Mid- and long-term perspective

- EBIT margin of well **above 10%**
- **Market leader** in all addressed markets
- Growth also through **further** acquisitions in the market
- **Active role** in **consolidations** in the high-tech hoses market

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Shares and Shareholders

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Share Price: Overall Gain of 33% in 2017

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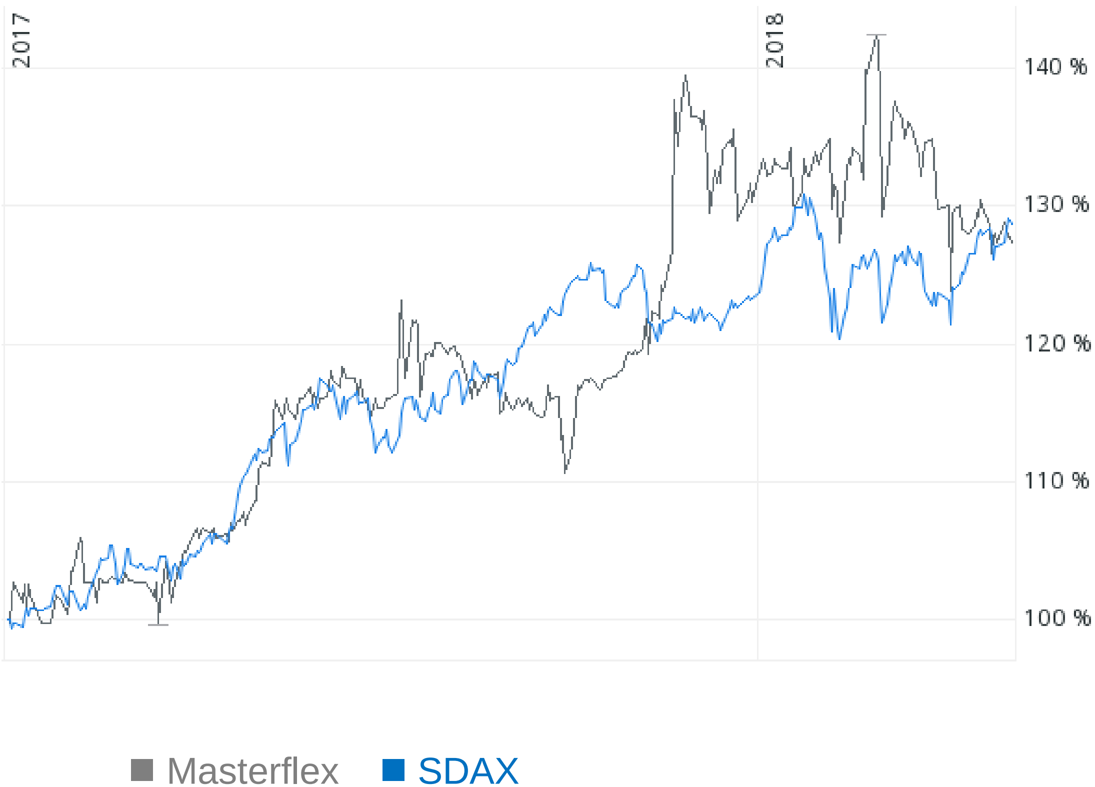
Stock performance since the start of 2017

4 May 2018



Stock price: strong gains

- Share price up 32% in 2017
- 2017 dividend of 5 ct/share
- Successful capital increase in March 2017
- Market cap: € 84.0 million (31.12.)
- Continuous research from:
  - Bankhaus Lampe (Buy; € 10.50)
  - DZ Bank (Hold; € 9.20)
  - SMC Research (Buy; € 10.00)

Shareholder Structure after the Capital Increase

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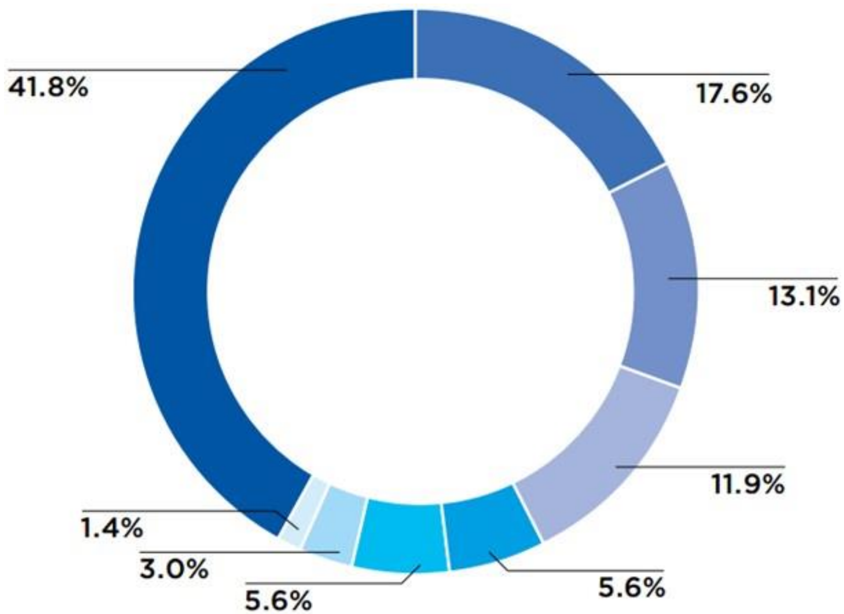
Breakdown of the capital stock (9.8 million shares)



- **Free float:** 41.8%
- **SVB GmbH & Co. KG/Family Schmidt:** 17.6%
- **Stichting Administratiekantoor Monolith:** 13.1%
- **J. F. Müller & Sohn AG:** 11.9%
- **BBC GmbH/Dr. Bastin, Becks:** 5.6%
- **Reinhart Zech/Grondbach GmbH:** 5.6%
- **Families Bischoping:** 3.0%
- **Treasury shares:** 1.4%

The information on the shares usually refers to the most recent German Securities Trading Act notifications to the company.

Appendix:
Financial Calendar

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2018 financial calendar	
29 March	Financial press conference
11 May	Q1/2018 press release
14/15 May	DFVA Spring Conference
26 June	Annual General Meeting in Gelsenkirchen
10 August	2018 half-year report
9 November	Q3/2018 press release
26-28 November	German Equity Forum

Contact person: ir@masterflexgroup.com	
CFO	Mark Becks
IR	Frank Ostermair (Better Orange)

Appendix: Masterflex Group

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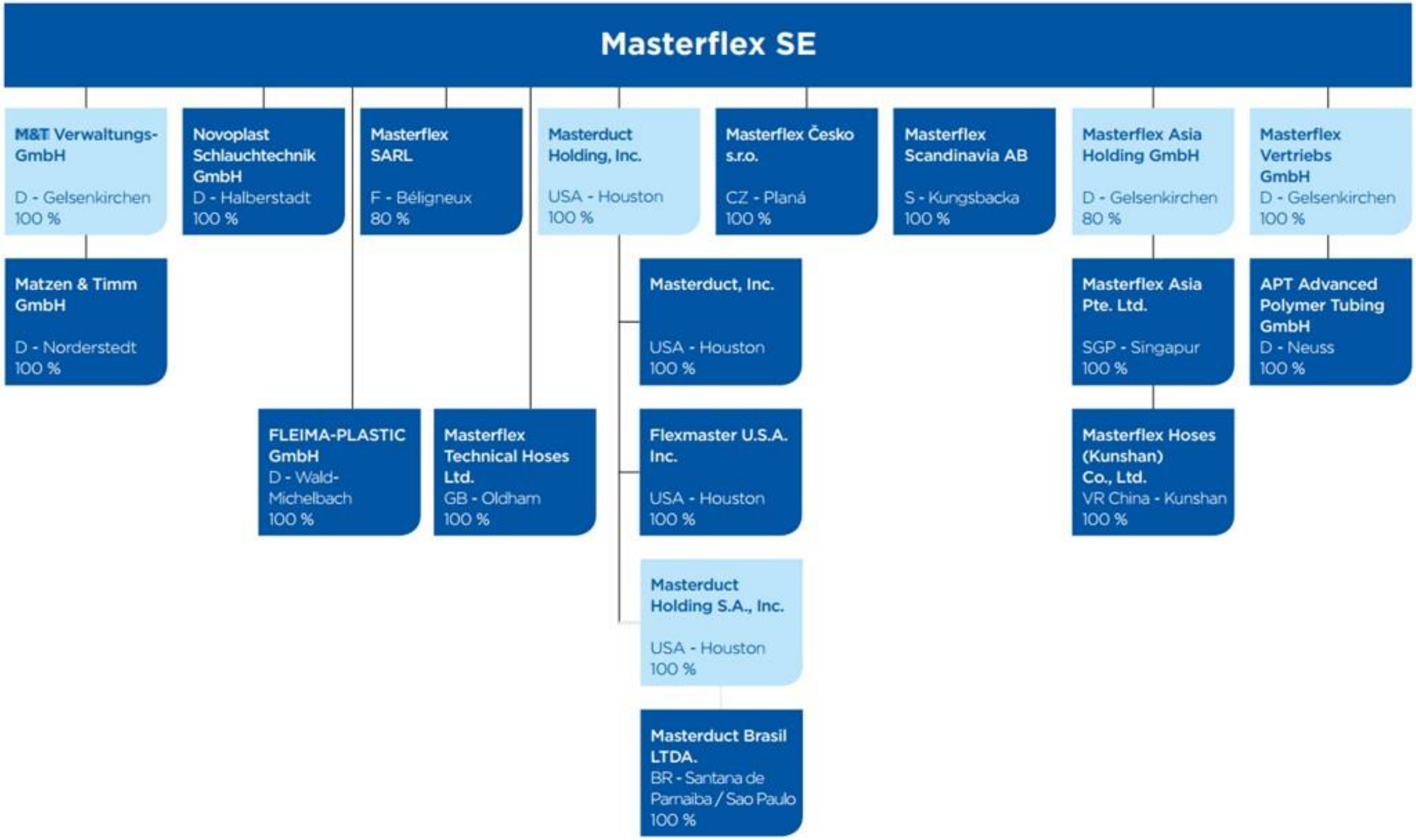
Organizational chart of the Group



Appendix:
Masterflex Group's Corporate Officers

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Executive Board

Dr. Andreas Bastin
Chairman (CEO)

Mark Becks
Finance (CFO)

Supervisory Board

Georg van Hall
Chairman

Dr. Gerson Link
Deputy Chairman

Jan van der Zouw
Member

Appendix:
Key Figures in an Annual Comparison

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in T€	31 Dec. 2017	31 Dec. 2016	Change
Revenues	74,675	66,486	12.3%
EBITDA	10,263	8,811	16.5%
EBIT (operating)	7,081	6,097	16.1%
EBIT (adjusted)	6,601	5,897	11.9%
EBT	5,420	4,574	18.5%
Consolidated earnings from continued business units	4,365	3,418	27.7%
Consolidated earnings from discontinued business units	-62	-555	88.8%
Consolidated earnings	4,311	2,928	47.2%
Earnings per share (€)	0.45	0.34	32.4%
EBIT margin (%) (operating)	9.5	9.2	
Number of employees	642	601	3.3%
Consolidated shareholders' equity	37,396	28,701	30.3%
Consolidated total assets	72,967	60,412	20.8%
Consolidated equity ratio (%)	51.3	47.5	

Appendix:
Legal Notice

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This presentation contains forward-looking statements about future developments which are based on management's current estimates and forecasts. Such forward-looking statements can be identified by words such as "expect," "would," "might," "as high as," "possibly," "assume" and similar words. These statements are subject to risks and uncertainties. If one of these uncertainty factors or other unpredictable events arise, or if the assumptions underlying the statements prove to be incorrect, actual developments may deviate materially from those specified in these statements or from the potential developments implicitly expressed in the statements. The company does not intend and assumes no obligation to routinely update forward-looking statements, as these are based exclusively on circumstances as of the date of their publication.

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