

# Filtrona plc

## Strategy Presentation: Porous Technologies Division

Russ Rogers

15<sup>th</sup> June 2012

# Agenda

---



- 1. About Porous Technologies**
- 2. Market trends**
- 3. Delivering Vision 2015 objectives**

# What we do



- Global leader in the development and production of customised fluid handling components for everyday applications:
  - Point of care diagnostics and advanced wound care
  - Ink-jet printer cartridges
  - Writing instruments
  - Household and personal care
  - Oil filtration for industrial and automotive customers
- 50+ years experience in capillary science
- Manufacture > 1,700 products based on:
  - Bonded fibre
  - Speciality foam
  - Porous plastics
  - Non-wovens
- Key competitive advantages:
  - Reliability
  - Partnership
  - Innovation

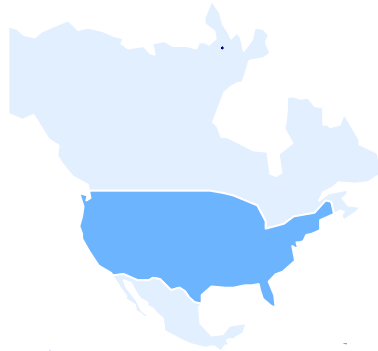


**Providing solid solutions for fluid challenges**

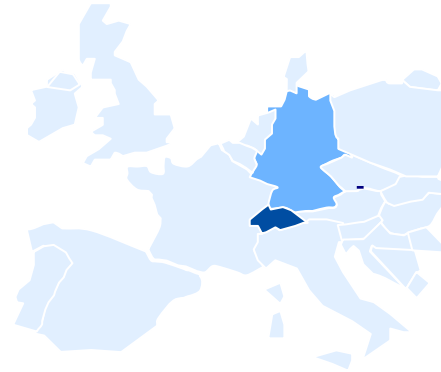
# Where we do it & who for



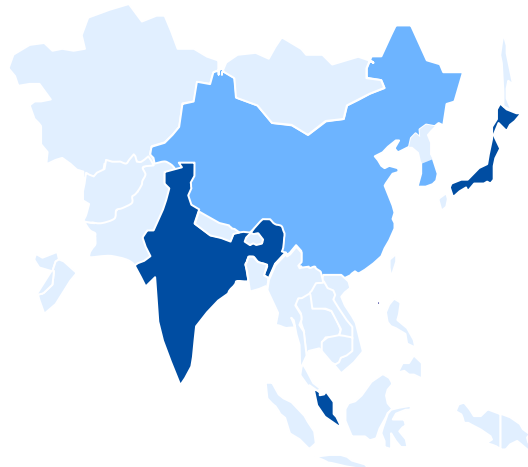
North America



Europe



Asia



**Supplier to more than 600 customers in >56 countries**

# Market trends



**Printing systems**  
Performance improvements



**Non-woven products**  
Sensitive environments



**Household & personal care**  
Emerging market growth



**Advanced wound care**  
Customer / patient need



**Writing instruments**  
Range expansion



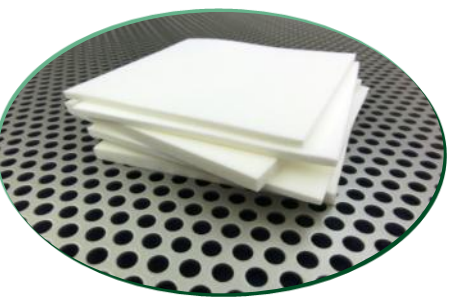
**Healthcare**  
Fluid handling capabilities

**Global market: Est. >£1.2bn\***

**Globalisation & speed to market**

\*Management estimate of global addressable market value

# Identify key new product opportunities



Improved technologies  
(super-soft wound care)



Product expansion  
(nibs)



Additional technology  
platforms  
(porous plastics, clean  
room wipes)



Customer  
partnership

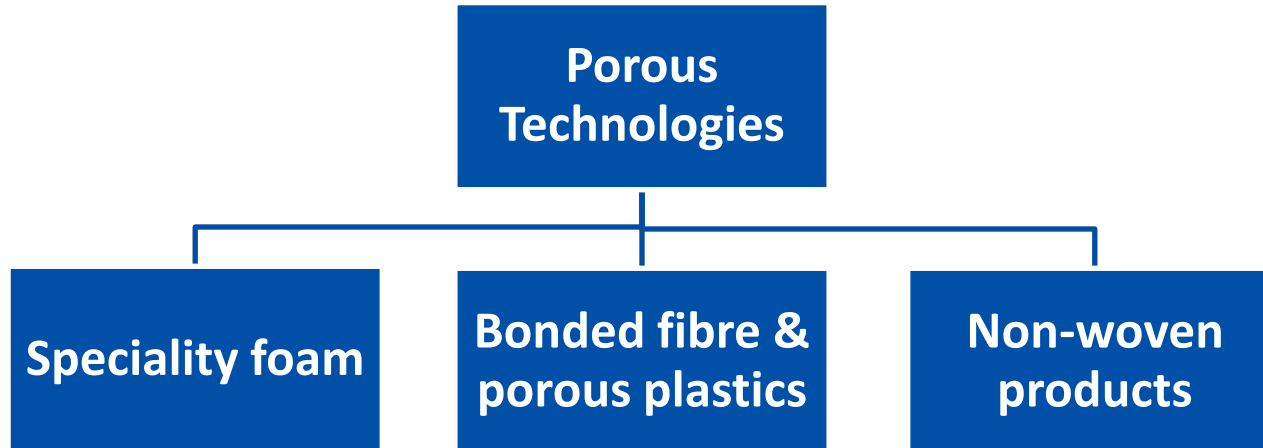


Investment in faster-  
growing markets

**Innovation & partnership drive sustainable, profitable growth**

# Strengthen organisational structure & talent base

---



- Structure organisation for success in new markets and emerging geographies
- New hires with international experience
- New commercial corporate office opened in Singapore
- Cross divisional collaboration
- Regional resource allocation to target high growth opportunities

**Commercial structure and talent development to support global footprint and expansion goals**

# Focus on faster growing markets / economies



- Expand customer reach for existing product technologies into new geographies
  - Asia Pacific
  - Brazil
  - Russia
  - Eastern Europe
  - Canada
- Identify, develop, and establish presence in new industries
- Expand technology portfolio to enhance product and system solutions



**Accelerate profitable expansion**



# Identify value-creating, complementary M&A

---



## Filtrona's M&A scorecard ...

## ... in the context of Porous Technologies

### PLACE:

- Globalise acquisitions using divisional regional footprint

### PRODUCT & MARKETS:

- Strong and differentiated technology position
- Complementary technologies to extend product reach
- Access to new end-markets
- IP driven
- Broaden Go To Market model

### PEOPLE:

- New technology expertise to build on foundational knowledge

---

**Recent M&A adds technology capability and access to new markets**

# Invest in improving operational excellence & execution



Transfer of production capacity and equipment for pregnancy test wicks to China

- Strategic expansion in Asia to support local customer needs
  - Transfer of production capacity to China
- Continuous investment in:
  - R&D - to enhance competitive position by generating value based solutions for customers
  - Production capabilities for key growth technologies
- Regional and flexible manufacturing capabilities
  - Support customer needs and promotes efficiencies
- Ongoing efficiency and cost improvement programmes

**Developing our infrastructure to facilitate accelerated growth**

# Conclusion

---



## Vision 2015 objectives ...

**Identify key new product opportunities**

**Strengthen organisational structure & talent base**

**Focus on faster growing markets / economies**

**Identify value-creating M&A opportunities**

**Invest in improving operational excellence & execution**

## ... and some examples of what we're doing

- Expanding technology portfolio
- Improved technologies
- Product line extensions
- Commercial structure & talent development supports global footprint and expansion goals
- Expanding customer reach in new geographies
- Identifying new industries
- Growing technology portfolio
- Lymtech and Jae Yong acquisitions consistent with Filtrona's "3Ps" criteria
- Strategic expansion in Asia
- Continued investment in R&D and production capabilities

---

**Contributing to balanced, profitable growth**



## Questions



## Appendix

# Appendix



## **Russ Rogers - President, Porous Technologies**

Russ Rogers joined Filtrona in 1998 as Director of Manufacturing on the acquisition of American Filtrona Corporation. Before being appointed to his current role in 2003, Russ performed increasingly senior roles in engineering, logistics, purchasing and manufacturing in the Porous Technologies division.

# Disclaimer

---



## IMPORTANT LEGAL NOTICE

**THIS DOCUMENT IS STRICTLY CONFIDENTIAL TO THE RECIPIENT AND HAS BEEN SUBMITTED TO YOU SOLELY FOR YOUR INFORMATION. THE RECIPIENT MAY NOT REPRODUCE OR REDISTRIBUTE ANY PART OF THIS DOCUMENT TO ANY PERSON IN ANY FORM.**

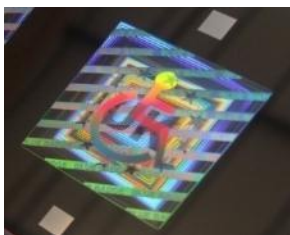
THIS DOCUMENT AND THE PRESENTATION TO WHICH IT RELATES ("**PRESENTATION**") NEITHER CONSTITUTES, NOR FORMS PART OF, AN ISSUE FOR SALE OR SUBSCRIPTION OF, OR SOLICITATION OF ANY OFFER OR INVITATION TO SUBSCRIBE FOR, UNDERWRITE OR OTHERWISE ACQUIRE OR DISPOSE OF ANY SECURITIES OF FILTRONA PLC (THE "**COMPANY**") NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED ON IN CONNECTION WITH, ANY CONTRACT OR COMMITMENT WHATSOEVER WHICH MAY AT ANY TIME BE ENTERED INTO BY THE RECIPIENT OR ANY OTHER PERSON, NOR DOES IT CONSTITUTE AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY UNDER SECTION 21 OF THE UK FINANCIAL SERVICES AND MARKETS ACT 2000, NOR DOES IT CONSTITUTE AN INVITATION TO EFFECT ANY TRANSACTION WITH THE COMPANY OR TO MAKE USE OF ANY SERVICES PROVIDED BY THE COMPANY.

THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS.

WHILE THE INFORMATION IN THIS DOCUMENT AND THE OPINIONS ARE BASED ON SOURCES BELIEVED TO BE RELIABLE THE COMPANY HAS NOT INDEPENDENTLY VERIFIED THE CONTENTS OF THIS DOCUMENT. ACCORDINGLY, NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE AS TO AND NO RELIANCE SHOULD BE PLACED ON THE FAIRNESS, ACCURACY, COMPLETENESS OR CORRECTNESS OF THE INFORMATION OR OPINIONS CONTAINED IN THIS DOCUMENT OR IN ANY PRESENTATION OR OTHER COMMUNICATION (WHETHER WRITTEN OR ORAL) ACCOMPANYING THIS DOCUMENT. THE INFORMATION AND OPINIONS CONTAINED IN THIS DOCUMENT OR THE PRESENTATION ARE PROVIDED AS AT THE DATE OF THIS PRESENTATION AND ARE SUBJECT TO CHANGE WITHOUT NOTICE. NEITHER THE COMPANY NOR ITS SHAREHOLDERS NOR ANY OF THEIR ASSOCIATES OR AFFILIATES NOR ANY OF THEIR RESPECTIVE DIRECTORS, MEMBERS, OFFICERS OR EMPLOYEES SHALL HAVE ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING DIRECTLY OR INDIRECTLY FROM ANY USE OF THIS DOCUMENT OR ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION THEREWITH.

NEITHER THE INFORMATION IN THIS DOCUMENT NOR THE PRESENTATION SHOULD NOT BE INTERPRETED AS A PROFIT FORECAST NOR SHOULD ANY INFORMATION CONTAINED HEREIN BE INTERPRETED TO MEAN THAT THE FUTURE EARNINGS PER SHARE OF THE COMPANY WILL NECESSARILY MATCH OR EXCEED THE HISTORICAL PUBLISHED EARNINGS PER SHARE. PAST PERFORMANCE CANNOT BE RELIED ON AS A GUIDE TO FUTURE PERFORMANCE.

ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS INCLUDED IN THIS PRESENTATION, INCLUDING, WITHOUT LIMITATION, THOSE REGARDING THE COMPANY'S FINANCIAL POSITION, BUSINESS STRATEGY, PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS (INCLUDING DEVELOPMENT PLANS AND OBJECTIVES RELATING TO THE COMPANY'S SERVICES) ARE 'FORWARD-LOOKING STATEMENTS'. FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY OR THOSE MARKETS AND ECONOMIES TO BE MATERIALLY DIFFERENT FROM FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THESE RISKS AND UNCERTAINTIES INCLUDE INTERNATIONAL, NATIONAL AND LOCAL CONDITIONS AND OTHER FACTORS INCLUDING THOSE DESCRIBED UNDER "MANAGEMENT OF PRINCIPAL RISKS" IN THE COMPANY'S ANNUAL REPORT AND ACCOUNTS. SUCH FORWARD-LOOKING STATEMENTS ARE BASED ON NUMEROUS ASSUMPTIONS REGARDING THE COMPANY'S PRESENT AND FUTURE BUSINESS STRATEGIES AND THE ENVIRONMENT IN WHICH THE COMPANY WILL OPERATE IN THE FUTURE AND SUCH ASSUMPTIONS MAY OR MAY NOT PROVE TO BE CORRECT. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS AT THE DATE OF THIS PRESENTATION. THE COMPANY EXPRESSLY DISCLAIMS ANY OBLIGATION (OTHER THAN PURSUANT TO LAW) OR UNDERTAKING TO DISSEMINATE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN TO REFLECT ANY CHANGE IN THE COMPANY'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.



# Filtrona plc

## Strategy Presentation: Porous Technologies Division

Russ Rogers

15<sup>th</sup> June 2012