

## Saft Investor Presentation

**Paris, November 16, 2015** – Saft, leader in the design, development and manufacture of advanced technology batteries for industry, is holding an Investor Meeting today in Paris, during which Ghislain Lescuyer, Chairman of the Management Board, will present “Power 2020”, its new strategic and operational transformation plan, and provide an update of Saft’s medium-term financial targets for 2015-2019. The presentation slides will be available on Saft’s website ([saftbatteries.com](http://saftbatteries.com)) before the meeting.

Key highlights of the presentation include:

### Launch of “Power 2020”

Saft launches today the “Power 2020” plan which includes an update of its strategic priorities and new operational initiatives. This transformation plan is structured around three pillars and supported by a new customer centric organization:

#### 1. Increase market focus to ensure profitable growth

Saft plans to strengthen its leadership positions through increased focus on sub-segments and fast-growing applications where its positioning provides a competitive advantage for specific customer needs. Furthermore, Saft will reinforce Key Account Management to leverage existing successes with its customers. Finally, Saft will target selective new growth opportunities in fast growing market segments, applications or regions.

#### 2. Differentiate through superior tailored solutions for customers

Based on its strong know-how in research and development, manufacturing and services, and unique portfolio of technologies, Saft will drive further technological innovations which address the increasingly demanding needs of its customers. Saft will concentrate its development activity in technology bricks customized to specific requirements where mass production products cannot meet customers’ needs in terms of battery performance, adaptation to specific operating conditions, lifespan, lead time or Total Cost of Ownership (TCO).

#### 3. Deliver with excellence in operations

Saft intends to upgrade the development approach of its battery systems. By the end of 2019, Saft will reduce the cost of purchased material by 4 to 5%, strengthen manufacturing excellence to lower total manufacturing costs by 5 to 6%<sup>1</sup> and improve supply chain management to reduce Operating Working Capital by 2% as a percentage of annual sales.

#### 4. A new customer-centric organization to better focus on business priorities

“Power 2020” includes the implementation of a new customer-centric organization and reporting structure, with four new divisions replacing the former Industrial Battery Group and Specialty Battery Group (IBG and SBG): **Civil Electronics; Industrial Standby; Space & Defence; Transportation, Telecom & Grid.**

Structured around Saft’s main customer segments, this new organization will foster greater authority, responsibility, and accountability in each division, and enable sharing of best practices and implementation of economies of scale across operations. It will allow a more results-oriented culture in the divisions with vertical alignment of resources and goals. In addition, a new human resources management approach will be put in place to foster mobility, further develop our employees’ skills and empower talents.

### Update on medium-term financial targets

As a result of “Power 2020”, Saft has updated its medium-term financial objectives. The Group now targets **revenues above €900 million and an EBITDA margin above 16% in 2019.**

<sup>1</sup> Reduction in total costs of manufacturing after inflation.

**Sharing value creation with shareholders**

Over the 2015-2019 period, Saft targets an average **Free-Cash Flow to EBITDA ratio of around 40%**, thanks to stable **Industrial Capex around 5 to 6% of sales** and stronger operating Working Capital discipline.

In this context, the Group reaffirms its commitment to shareholder return through:

- An annual dividend distribution policy based on a **pay-out ratio of 40 to 50%** of net income;
- The **launch of a share buyback program for up to €60 million** over the next 12 months.

**2015/2016 Financial Calendar**

2015 revenue and earnings	18 February 2016
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**IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS**

*Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans, objectives or results of operations. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties, and can be affected by other factors that could cause actual results and Saft's plans and objectives to differ materially from those expressed or implied in the forward looking statements.*

**About Saft**

Saft (Euronext: Saft) is a world leading designer and manufacturer of advanced technology batteries for industry. The Group is the world's leading manufacturer of nickel batteries and primary lithium batteries for the industrial infrastructure and processes, transportation, civil and military electronics markets. Saft is the world leader in space and defence batteries with its Li-ion technologies which are also deployed in the energy storage, transportation and telecommunication network markets. More than 4,000 employees in 18 countries, 14 manufacturing sites and an extensive sales network all contribute to accelerating the Group's growth for the future.

Saft batteries. Designed for industry.

[www.saftbatteries.com](http://www.saftbatteries.com)

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