



Overview

Devro is one of the world's leading manufacturers of collagen casings for the food industry, supporting customers in the production of a wide variety of sausages and other meat products. Collagen is a naturally occurring polymer which is transformed into gel, tubular casing and films at Devro's manufacturing sites in the USA, UK, Czech Republic, Australia, China and the Netherlands. Devro employs over 2,000 people, with skills and knowledge ranging from chemical and electrical engineering to food technology, meat science and environmental health. Over 100 staff are in daily contact with more than 1,000 customers, providing specialist technical advice and support for sophisticated food manufacturing operations in more than 100 countries.

Investment Case

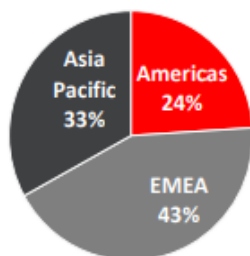
- Key supplier to the sausage industry worldwide, where underlying growth factors remain positive
- Global presence with opportunities in emerging markets
- Long term global market growth outlook for collagen casings and gel volumes estimated at 2-4% p.a.
- Significant opportunities in established markets with gut substitution
- Modern asset base with capacity to support growth
- Strong margins and highly cash generative business

Global Leader

Sales Offices

Moscow, Auckland, Hong Kong, Tokyo & Miami

Sales By Region 2018



Key Directors

Steve Good, Chairman

Steve joined Devro in June 2019 as Non-Executive Chairman. Steve has international experience in speciality chemicals businesses, manufacturing and diverse industrial markets. He is the Non-Executive Chairman of Zotefoams plc, Non-Executive Director of Elementis plc and Non-Executive Director of Dialight plc.

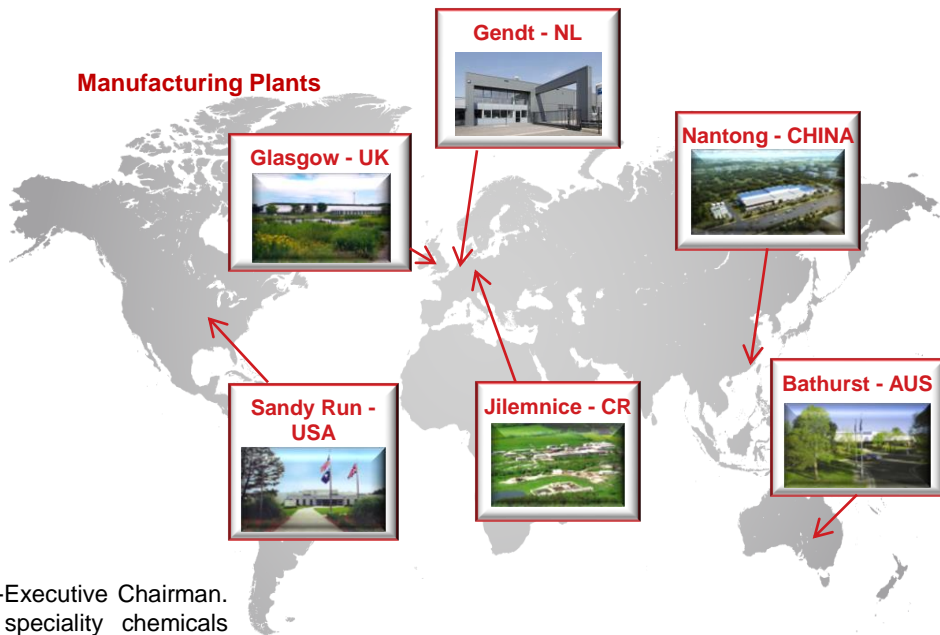
Rutger Helbing, Chief Executive Officer

Rutger joined Devro as Group Finance Director in April 2016 and became Chief Executive Officer on 28 February 2018. Prior to joining the company he was Group Chief Financial Officer of Element Six, the global leader in manufacturing synthetic diamond supermaterials.

Jackie Callaway, Chief Financial Officer

Jackie joined Devro as Chief Financial Officer in May 2018. Prior to joining Devro, Jackie was Group Financial Controller of Brambles Limited, the ASX Top 20 supply chain logistics company, where she led their global finance transformation programme. Between 2008 and 2013 Jackie was Chief Financial Officer of Consolidated Minerals Limited.

Manufacturing Plants



THE 3CS STRATEGY



Underlying market growth factors

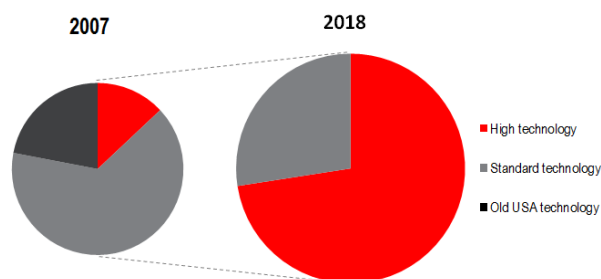
- Meat consumption growing with GDP/capita
- Overall global population growth expected at 1.5% p.a.
- Continued growth in sausage demand supported by food trends
- Urbanisation as % of population expected to grow at 1.8% p.a.

Investing for the future

- Devro completed a two year investment programme in 2016 establishing new manufacturing plants in the USA and China. These investments support the group strategy to reduce manufacturing cost per unit and increase revenue in emerging markets.
- Further investment in excess of £7 million p.a., in Research, Product Development and Process Technology in order to ensure that we continue to deliver shareholder returns in the current year and beyond.
- Devro is currently implementing a new global operating model that will reduce operating costs but also allow a partial reinvestment of resource to support Devro's growth ambition.

MODERN ASSET BASE FOLLOWING INVESTMENTS

Devro capacity by technology



Benefits of Collagen

- Consistency
- Traceability
- Appearance
- Supply reliability
- Price stability
- Value
- Customer productivity

Listing Information

Market	Full
Symbol	DVO
Sector	Food Producers
Shares in issue	166.9m
Company Reg.	129785

Key Financials

31 December	2014	2015	2016	2017*	2018*
Sales (£'m)	232.3	230.2	241.1	256.9	253.4
EBIT*** (£'m)	30.3	33.3	38.1	38.1	40.0**
PBT*** (£'m)	26.1	29.2	28.9	29.5	32.1
EPS***	13.7p	15.4p	13.3p	14.2p	14.6p
Dividend per share	8.8p	8.8p	8.8p	8.8p	9.0p

* exclude net finance cost on pensions

** before non-recurring items

*** before exceptional items

Analyst Coverage

Company	Analyst
Exane BNP Paribas	Francisco Ruiz
Investec	Nicola Mallard
Kepler Cheuvreux	Anton Brink
Numis	Damian McNeela
Peel Hunt	Charles Hall
Shore Capital	Darren Shirley



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