

GERRESHEIMER



Q3 2019 Earnings Presentation

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Dr. Bernd Metzner, CFO

Duesseldorf, October 10, 2019

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- For an overview of abbreviations and definition please see the glossary slide in the backup section

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Q3 2019 performance in line with expectations. Year 1 of capex plan almost completed, underpinning disciplined execution.

Strict monitoring of all business and macro drivers



Q3 2019 Financials

- Revenues and profitability developments in line with expectations
 - ▢ Reported revenues up 1.4%
 - ▢ Adjusted EBITDA at EUR 72.2m
- Adjusted net income performance higher by over 7% YoY
- Adjusted EBITDA Leverage at 2.4x



Markets & Macro

- Good market environment all in all with regional differences
- Solid demand in Europe overall
- Softer demand in the glass business in the USA essentially led by operational issues at one of our customers' where we have a high market share
- Currency movements result in slight translation tailwinds
- Refinancing of RCF successfully completed



Operations

- P&D reported revenues up 2.1% YoY
 - ▢ Driven by Primary Plastic Packaging and Syringes
- PPG reported revenues down 0.9% YoY
 - ▢ Essentially led by softer US demand and strong comparables YoY
- Disciplined execution of capex plan
 - ▢ Essen furnace overhaul on plan
 - ▢ Plant constructions in Anapolis and Skopje progressing well
 - ▢ Expansion in Horsovsky Tyn on track
 - ▢ Gx® Glass Innovation & Technology Center, Vineland/NJ, opened (Sept)

Disciplined execution of capex plan. Full speed ahead on growth, productivity and innovation.

2019



Growth | MAIN PROJECTS

P&D	2019	2020	STATUS
Extension <u>Horsovsky Tyn</u> (Devices)	X	X	On plan
New Plant North Macedonia (Devices & Syringes)	X	X	On plan
New Plant Brazil <u>Anapolis</u> (GPP)	X	X	On plan
Extension TCC <u>Wackersdorf</u> (Syringes Small Batch production)	X	—	On plan
<u>Buende</u> Safety Systems <u>Innosafe</u> (Syringes)	X	X	On plan
<u>Buende</u> new forming line (Syringes)	X	X	On plan
<u>Buende</u> RTF 5 & 6 (Syringes)	X	X	On plan

PPG	2019	2020	STATUS
Furnace Repair <u>Essen</u> including Extension	X	—	On plan
Furnace Repair <u>Lohr</u> including Extension	—	X	2020
Decoration <u>Tettau</u> & <u>Mornignies</u> Cosmetics	X	—	On plan
RTF Vials Capacity upgrade <u>Queretaro</u>	X	X	2020
Converting machine strategy (Poland: cartridges, India: vials)	X	X	On plan
Elite capacity increase	X	X	On plan
Innovation & technology centre <u>Vineland</u>	X	X	On plan
Strengthened Borosilicate Glass	X	X	On plan

2019



Productivity | MAIN PROJECTS

P&D	2019	2020	STATUS
Optimized Packaging Syringes	X	—	On plan
Automatic driving systems <u>Pfreimd</u>	X	X	On plan

PPG	2019	2020	STATUS
Automation Packing / Packaging (Moulded)	X	X	On plan
Automation Printing (Moulded)	X	X	On plan
Automation Spraying (Moulded)	—	X	2020
Automation Ampules (Converting)	X	—	On plan
Automation clean rooms (<u>Queretaro</u>)	X	X	On plan
System digitalisation (MES PPG)	X	X	On plan

Expanding innovation in glass

Gx[®] Glass Innovation & Technology Center, Vineland/NJ

From component supplier to provider of technology solutions

- Bundling our glass expertise under one roof to develop new products and technologies
- In close cooperation with our customers, we are now able to develop new products in a very early design phase
- Driving innovation in pharmaceutical glass, primary packaging glass products, technologies and digitized processes
- Grand opening with over 100 customers Sep 25, 2019



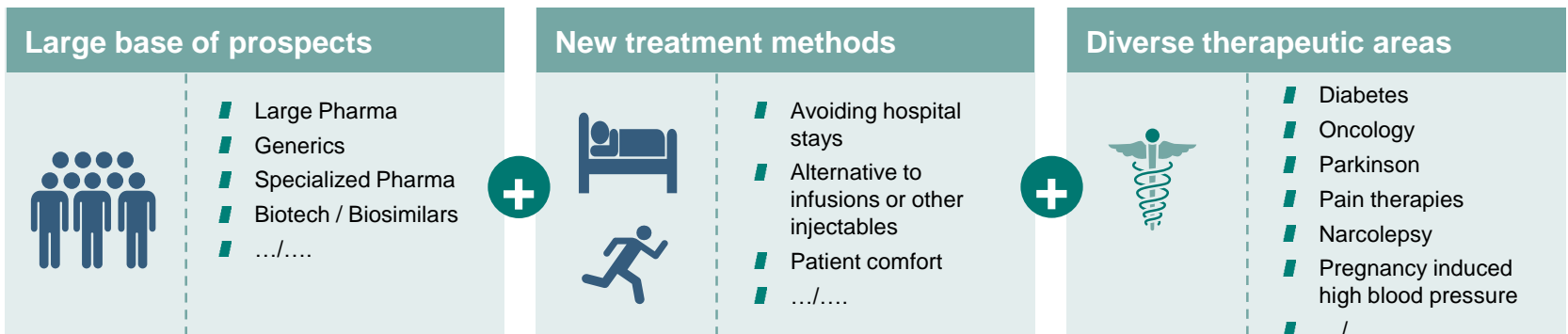
Sensile: Focus on executing main projects and driving leads & innovation pipeline

Projects and Processes

- Executing on current projects
- Driving industrialization processes



Leads and Innovation Pipeline



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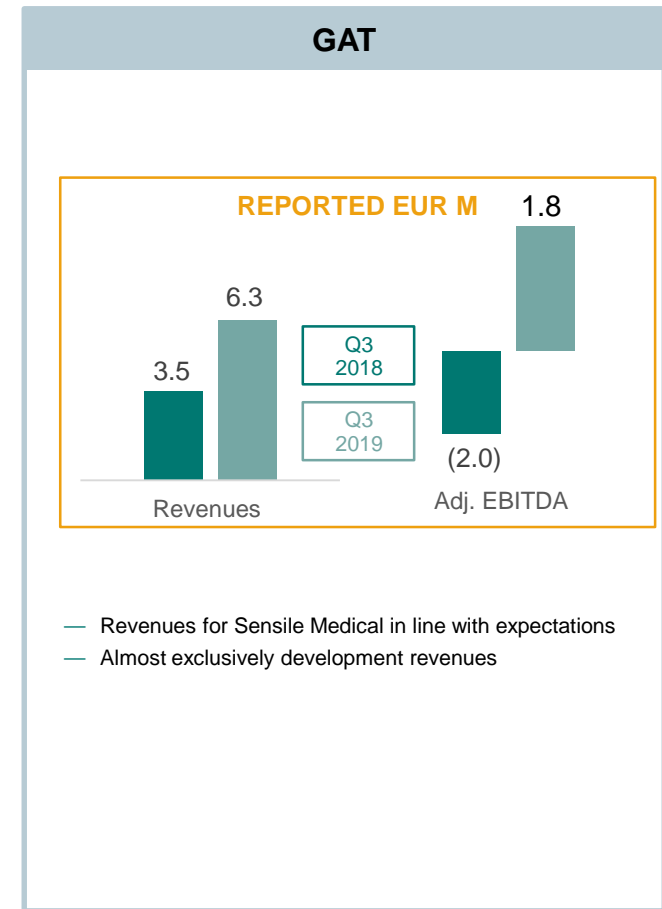
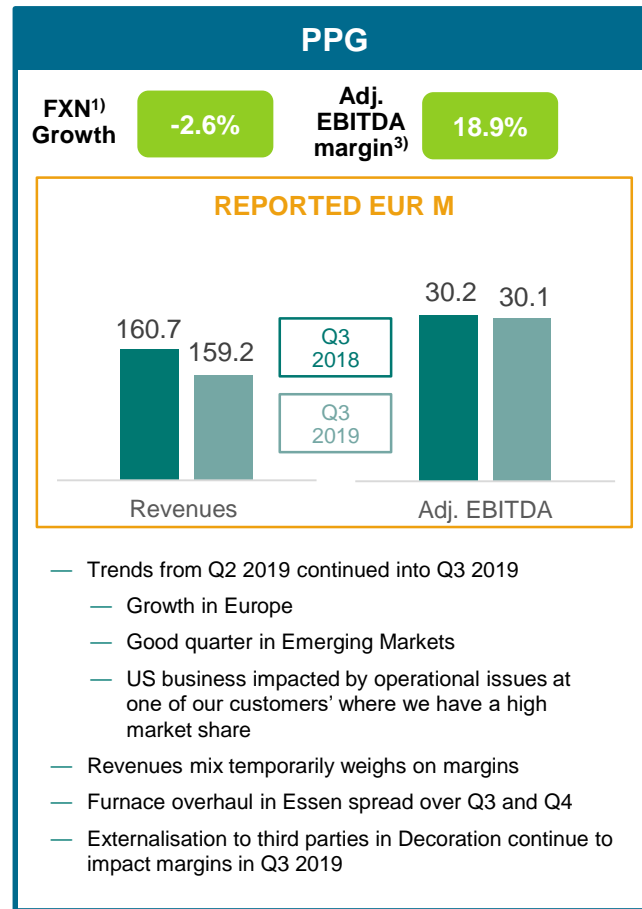
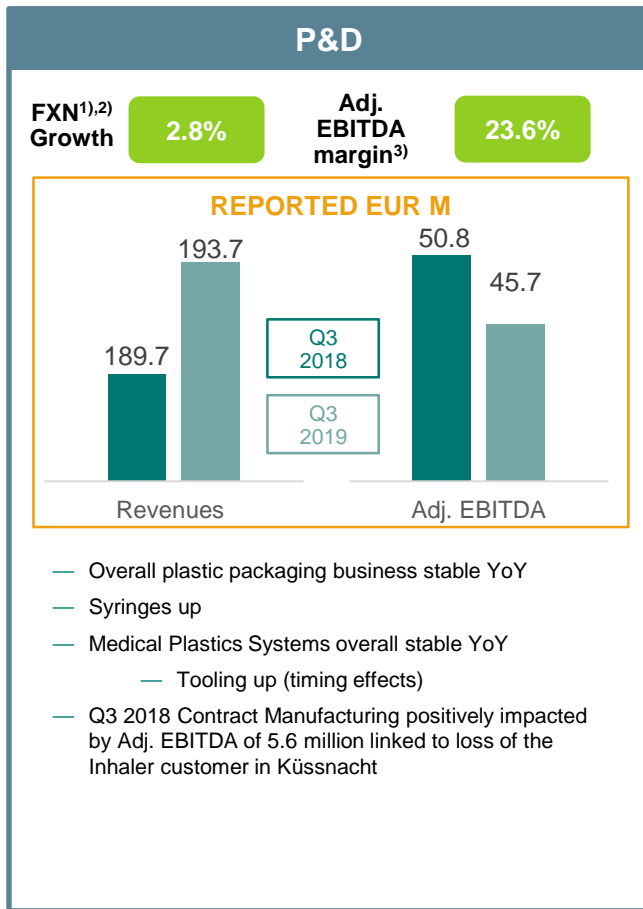
Appendix

Q3 2019 performance in line with expectation

EUR M	Q3 2019	Q3 2018	CHANGE in %		ANALYSIS
FXN Revenues as per guidance¹⁾	355.2	351.7	1.0%	↑	Driven by P&D , Glass Europe & EM
Revenues	358.6	353.7	1.4%	↑	Slight fx tailwind
FXN Adjusted EBITDA as per guidance²⁾	71.1	69.8	1.6%	↑	Development in line with sales growth
Adjusted EBITDA	72.2	73.7	-2.3%		Including FVA with regard to the acquisition of Sensile Medical in July 2018
Total one-off items	-1.1	-5.8	-80.1%		
Depreciation & Amortization ³⁾	-37.3	-34.6	7.0%	↑	
Net finance expense	-7.0	-6.9	0.7%		
Income taxes	-7.8	-7.4	5.0%		
Net income	19.0	19.0	0.5%		
Total one-off items (including amortization and tax effects)	11.7	13.5	-13.6%		
Adjusted net income	30.7	32.5	-5.4%		
Adjusted net income performance⁴⁾	30.7	28.6	7.5%	↑	Continuing to deliver improvement YoY

1. FXN: See page 105 of annual report FY 2018 for currency assumptions regarding FY 2019. For Q3 2018: excluding EUR 3.7m revenues from the loss of the inhaler customer at our plant in Küsnacht.
2. FXN: See page 105 of annual report FY 2018 for currency assumptions regarding FY 2019. For Q3 2018: excluding a EUR 5.6m positive one-off effect linked to the loss of the inhaler customer at our plant in Küsnacht and a EUR 1.4m negative one-off effect relating to the network charges.
3. Including EUR 14.0m (Q3 2018: EUR 11.5m) amortization of fair value adjustments.
4. For Q3 2018: excluding a EUR 4.9m positive one-off effect linked to the loss of the inhaler customer at our plant in Küsnacht and a EUR 1.0m negative one-off effect relating to network charges.

Q3 marked by sustained dynamic in Primary Plastic Packaging and Syringes but lower demand from one US Glass customer



1. FXN: See page 105 of annual report FY 2018 for currency assumptions regarding FY 2019.
 2. For Q3 2018: excluding EUR 3.7m from the loss of the inhaler customer at our plant in Küssnacht.
 3. Reported.

FCF generation mostly driven by implementation of capex plan in Q3 2019 and temporary change in working capital

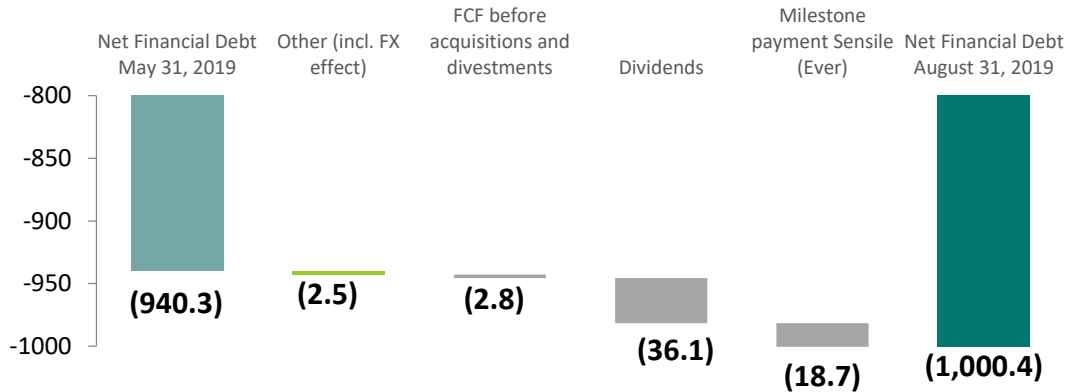
<i>EUR M</i>	Q3 2019	Q3 2018	CHANGE
Adjusted EBITDA	72.2	73.7	-1.5
Change in net working capital	-12.4	6.3	-18.7
Capital expenditure	-43.6	-19.4	-24.2
Operating cash flow	16.2	60.6	-44.4
Net interest paid	-2.4	-2.0	-0.4
Net taxes paid	- 8.2	-7.8	-0.4
Pension benefits paid	-3.2	-2.7	-0.5
Other	-5.2	-5.5	0.3
Free cash flow before acquisitions / divestments	-2.8	42.6	-45.4

■ Implementation of capex program for 2019 & 2020 drives higher capex spend YoY

■ Change in net working capital driven by phasing effects in inventories and temporary build up of receivables at Sensile Medical due to nature of project business – rebound in Q4 expected

Net Financial Debt increase led by dividend and milestone payments; RCF refinancing closed with improved conditions

NET FINANCIAL DEBT AND ADJ. EBITDA LEVERAGE

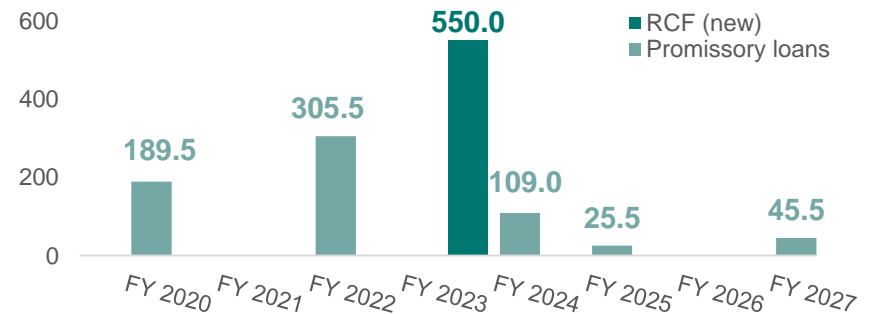


- Dividend payment (EUR 36.1m) and Milestone payment (EUR 18.7m) linked to the Sensile acquisition drive increase in Net Financial Debt in Q3 2019
- RCF refinancing closed: New EUR 550.0m RCF agreement with 5 Year Maturity successfully negotiated with lower interest margins and improved documentation

Net Financial Debt Summary

IN EUR M	Aug 31, 2019	Aug 31, 2018
Drawn portion of RCF	368.5	291.0
Promissory loans (2017)	250.0	250.0
Promissory loans (2015)	425.0	425.0
Local borrowings and leasing / installment purchases	37.6	26.7
Cash and cash equivalents	(80.7)	(86.9)
Net Financial Debt	1,000.4	905.8
Adjusted EBITDA Leverage	2.4x	3.2x

EXPIRY DATE MAIN FACILITIES



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FY 2019 guidance confirmed, FY 2020-2022 indications unchanged. Focus on execution

At Group level & FXN¹

METRICS	EXPECTED FY 2019 (FXN ¹)
Revenues	~ EUR 1.40bn to EUR 1.45bn
Adjusted EBITDA	~ EUR 295m (plus/minus EUR 5m) Excluding EUR 118.5m from derecognition of contingent purchase price components
Capex (% FXN sales)	~ 12%

FY 2020 — 2022

EXPECTED TOP LINE GROWTH

4% to 7% FXN¹ revenue growth per annum for the financial years 2020 – 2022 based on

- Market volume growth
- Gx market outperformance
- Growth projects
- Sensile Medical

EXPECTED ADJUSTED EBITDA MARGIN DEVELOPMENT

~ 21% in FY 2020
~ 23% for the financial years 2021 – 2022

EXPECTED CAPEX REQUIREMENTS

Temporary increase of capex to revenues in 2019 and 2020 up to 12%

Thereafter back to 8% of revenues

1. See page 105 of annual report FY 2018 for currency assumptions regarding FY 2019.

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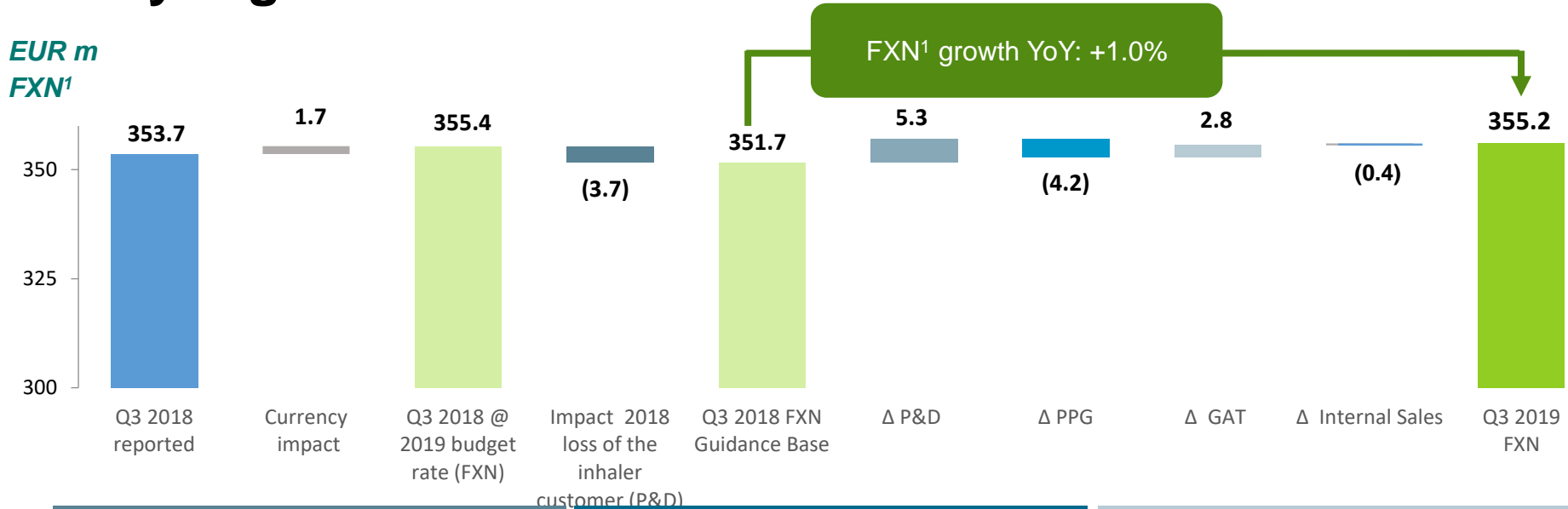
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FXN P&D Q3 2019 performance review
+ 2.8% (excl. 2018 impact loss inhalation)
+0.8% (including impact)

- Overall plastic packaging business stable YoY
- Syringes up
- Medical Plastics Systems overall stable YoY
 - Tooling up (timing effects)

FXN PPG Q3 2019 performance review
-2.6%

- Trends from Q2 2019 continued into Q3 2019
- Growth in Europe
- Good quarter in Emerging Markets
- US business impacted by operational issues at one of our customers' where we have a high market share

FXN GAT Q3 2019 performance review
EUR + 2.8m

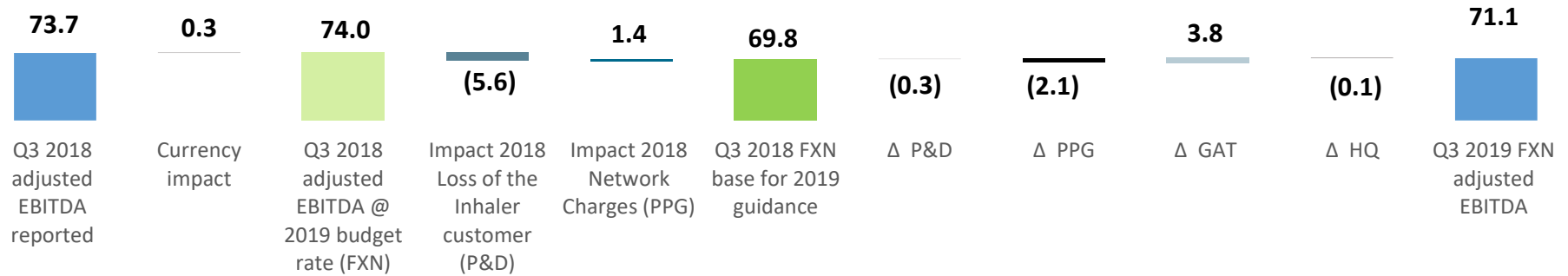
- Revenues for Sensile Medical in line with expectations
- Almost exclusively development revenues

1. See page 105 of annual report FY 2018 for currency assumptions regarding FY 2019.

FXN Adjusted EBITDA development in line with sales growth

EUR m
FXN¹

FXN¹ growth YoY: +0.8%



P&D Q3 2019 performance review
EUR -0.3mYoY (excl. 2018 impact inhalation) or EUR -5.9m including impact

- Contract Manufacturing impacted by the loss of the inhaler customer in 2018
- Other businesses delivering in line with expectations

PPG Q3 2019 performance review
EUR - 2.1m YoY (excl. 2018 impact network charges) or EUR -0.7m including impact

- Revenues mix temporarily weighs on margins
 - Higher demand in Decoration led to capacity constraints and externalization to third parties with lower margins
- US business impacted by operational issues at one of our customers' where we have a high market share
- Furnace overhaul Essen spread over Q3 and Q4

GAT Q3 2019 performance review
EUR +3.8m

- Adj. EBITDA development in line with expectations given the nature of revenues

1. See page 105 of annual report FY 2018 for currency assumptions regarding FY 2019.

GXI Key Data

in EUR per share	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Dividend	0.40	–	0.50	0.60	0.65	0.70	0.75	0.85	1.05	1.10	1.15
<i>Dividend yield</i>	1.5%	–	1.8%	1.9%	1.7%	1.4%	1.7%	1.2%	1.5%	1.6%	1.8%
<i>Payout ratio</i>	22%	–	26%	25%	25% ¹	23%	26%	25%	25%	27%	20%
Share price high	38.20	27.05	29.85	36.62	41.34	50.14	56.42	76.32	76.86	78.01	79.80
Share price low	23.99	13.24	22.09	28.30	31.00	37.60	42.31	41.99	57.10	61.03	59.75
Share price at FY end	27.10	23.05	28.20	31.17	39.41	49.67	44.44	73.90	68.85	67.06	62.90
Book value per share	15.26	15.29	16.86	17.59	17.14	17.94	19.25	22.23	24.31	25.14	28.35
P/E ratio ²	14.81	17.20	14.46	12.77	15.04 ¹	16.13	15.38	21.67	16.31	16.51	11.09
Market cap in EUR m	851	724	886	979	1,238	1,560	1,395	2,320	2,162	2,106	1,975
<i>MDAX weighting year end</i>	11.48% ³	1.33%	1.24%	1.40%	1.47%	1.33%	1.01%	1.42%	1.33%	1.00%	0.87%
Number of shares in million	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4

1. Retrospective restatement due to the early adoption of IAS 19 (amended in 2011) from December 1, 2012.

2. Based on adj. EPS after non-controlling interests.

3. SDAX weighting at year end.

Financial calendar and contact details

FINANCIAL CALENDAR	
February 19, 2020	FY 2019 Earnings
April 9, 2020	Interim Report 1st Quarter 2020
April 29, 2020	Annual General Meeting 2020
July 14, 2020	Interim Report 2nd Quarter 2020
October 13, 2020	Interim Report 3rd Quarter 2020

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Overview of Abbreviations and Definitions

ABBREVIATIONS AND DEFINITIONS

Adj. EBITDA	Net income before income taxes, net finance expense, amortization of fair value adjustments, depreciation and amortization, impairment losses, restructuring expenses and one-off income and expenses
Adjusted EPS	Adjusted earnings per share after non-controlling interests, divided by 31.4m shares
Adjusted net income	Net income before non-cash amortization of fair value adjustments, non-recurring effects of restructuring expenses, portfolio adjustments, the balance of one-off income and expenses – including significant non-cash expenses – and the related tax effects
CAGR	Compound Annual Growth Rate
Capex	Investments in tangible and intangible assets
EBIT	Earnings before interest and taxes
EBITA	Earnings before interest, taxes and amortization
EBITDA	Earnings before interest, taxes, depreciation and amortization
FXN	"Foreign currency neutral" - based on budgeted FX-rates
Gx ROCE	Adjusted EBITA divided by capital employed (total assets minus investments, investments accounted for using the equity method and other loans, minus cash and cash equivalents, minus pensions (without pension provisions), deferred tax liabilities, and income tax liabilities, minus prepayments received, trade payables, and other non- interest bearing liabilities)
Gx RONOA	The ratio of adjusted EBITA to average net operating assets, comprising the sum of property, plant and equipment and net working capital
Adj. EBITDA Leverage	The relation of net financial debt to adjusted EBITDA of the last twelve months, according to the credit facility agreement currently in place
Net financial debt	Short and long term debt minus cash and cash equivalents
Net finance expense	Interest income and expenses related to the net financial debt of the Gerresheimer Group. It also includes net interest expenses for pension provisions together with exchange rate effects from financing activities and from related derivative hedges.
Net working capital (NWC)	Inventories plus trade receivables minus trade payables plus/minus prepayments
Op. CF margin	Adjusted EBITDA plus/minus the change in net working capital, minus capex and in relation to revenues
Operating cash flow	Adjusted EBITDA plus/minus change in net working capital, minus capex
P/E Ratio	Company's share price divided by the adj. EPS
RCF	Revolving credit facility
yoy	year-on-year

GERRESHEIMER



Our Vision

Gerresheimer will become the leading global partner for enabling solutions that improve health and well-being.

Our success is driven by the passion of our people.