

GERRESHEIMER



FY 2018 Earnings Presentation

Dietmar Siemssen, CEO

Rainer Beaujean, CFO

Duesseldorf, February 14, 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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1**Dietmar Siemssen**

Gerresheimer today: Existing strengths as excellent fundament for profitable growth

2**Rainer Beaujean**

FY 2018 operational and financial highlights

3**Dietmar Siemssen**

Operational and financial framework for 2019-2022

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1**Dietmar Siemssen**

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2**Rainer Beaujean**

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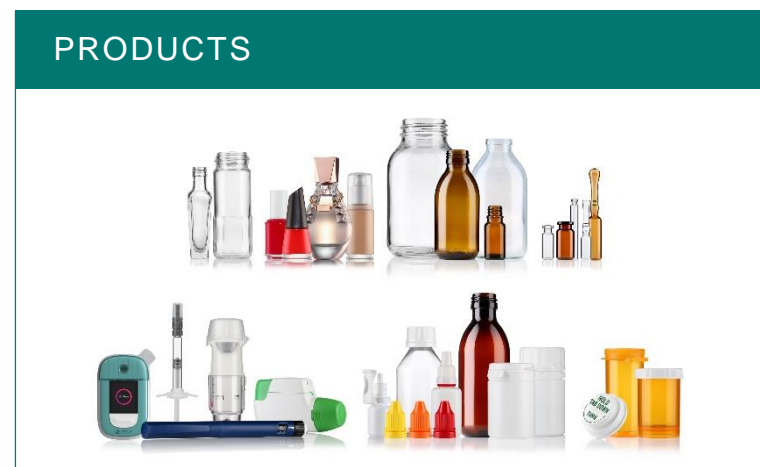
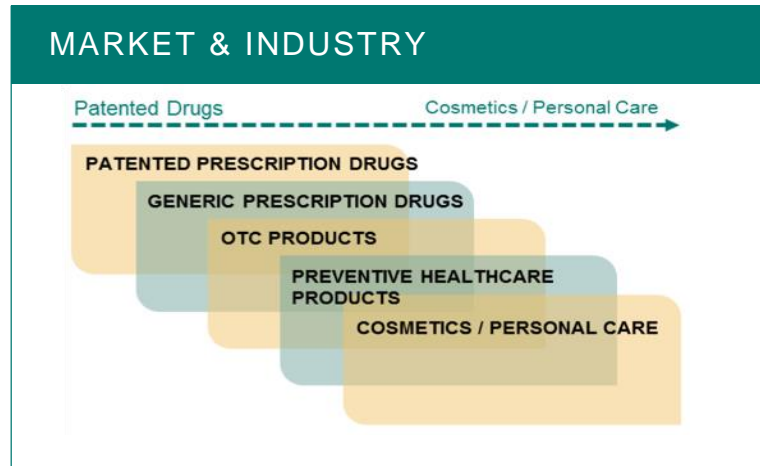
3**Dietmar Siemssen**

Operational and financial framework for 2019-2022

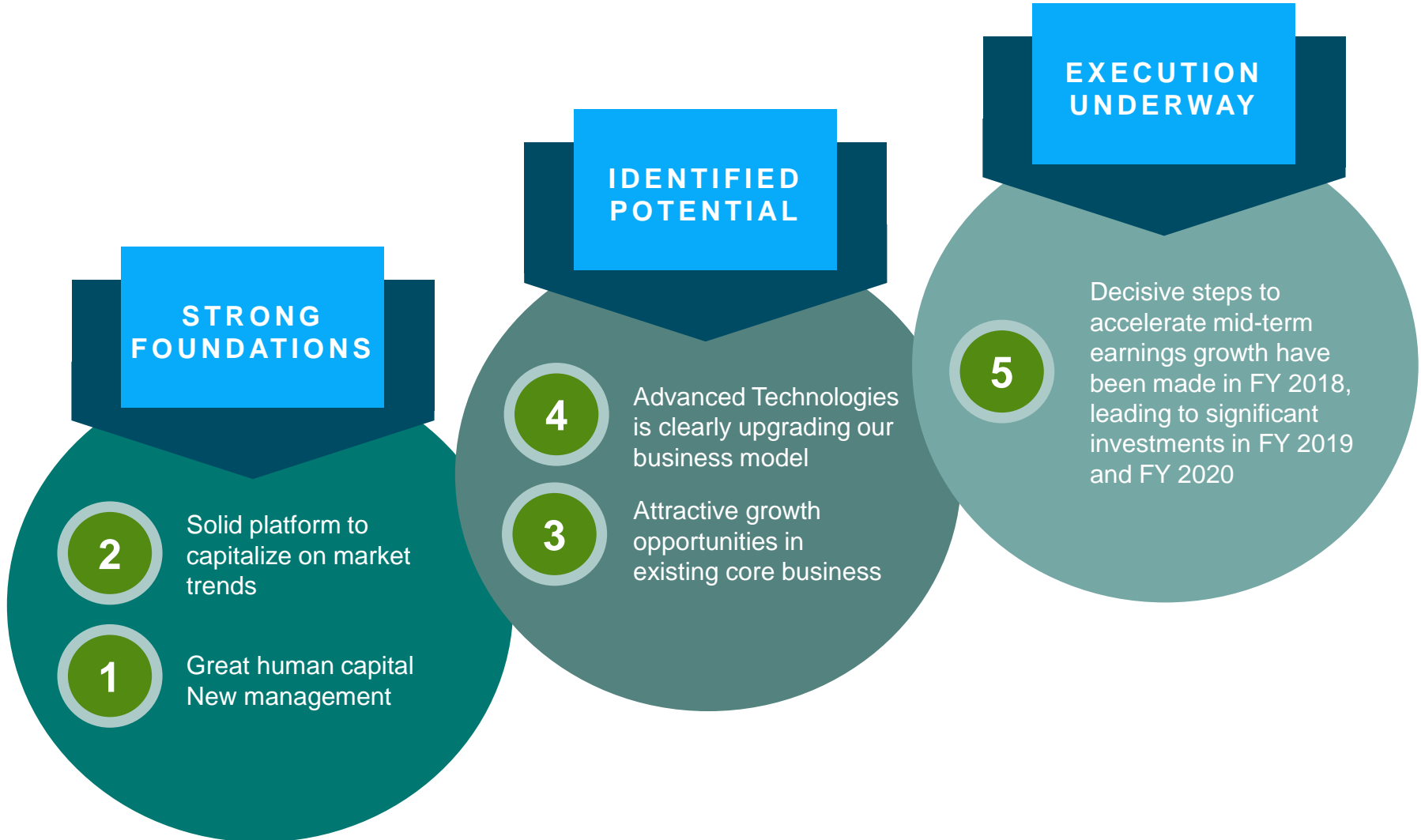
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Initial expectations confirmed: strong existing positioning based on high-quality products, customer relationships, talent



A solid base in place to launch the next phase of our journey



1 Great human capital. Management board complete and stabilized

Great human capital

- Pride and commitment in manufacturing products that contribute to health and well being
- Strong engineering and production DNA
- Process and quality driven
- Solid middle management with broad industry experience



New management board

COMPLETE AND STABILIZED



- Proven track record in driving business expansion organically and un-organically
- Production and engineering background applied to various industries

2 Strong foundations to capitalize on market trends

Megatrends

Rise in chronic diseases and aging population	Stricter regulatory requirements
Rapid growth in generics	New drugs especially in Biosimilars and Biotech
Growing healthcare provision in Emerging Markets	Growing trend toward to self medication

Expectations from customers, consumers, patients

Personalization

Compliance and Documentation

Cost efficiency

Pain reduction

Quality



Gx offers a great platform for future growth in both Pharma & Healthcare as well as Cosmetics






Leading global player in Healthcare & Cosmetics Packaging

Solid and balanced blue chip customer base with long-term relationships

Well invested global manufacturing footprint

Enhanced product portfolio

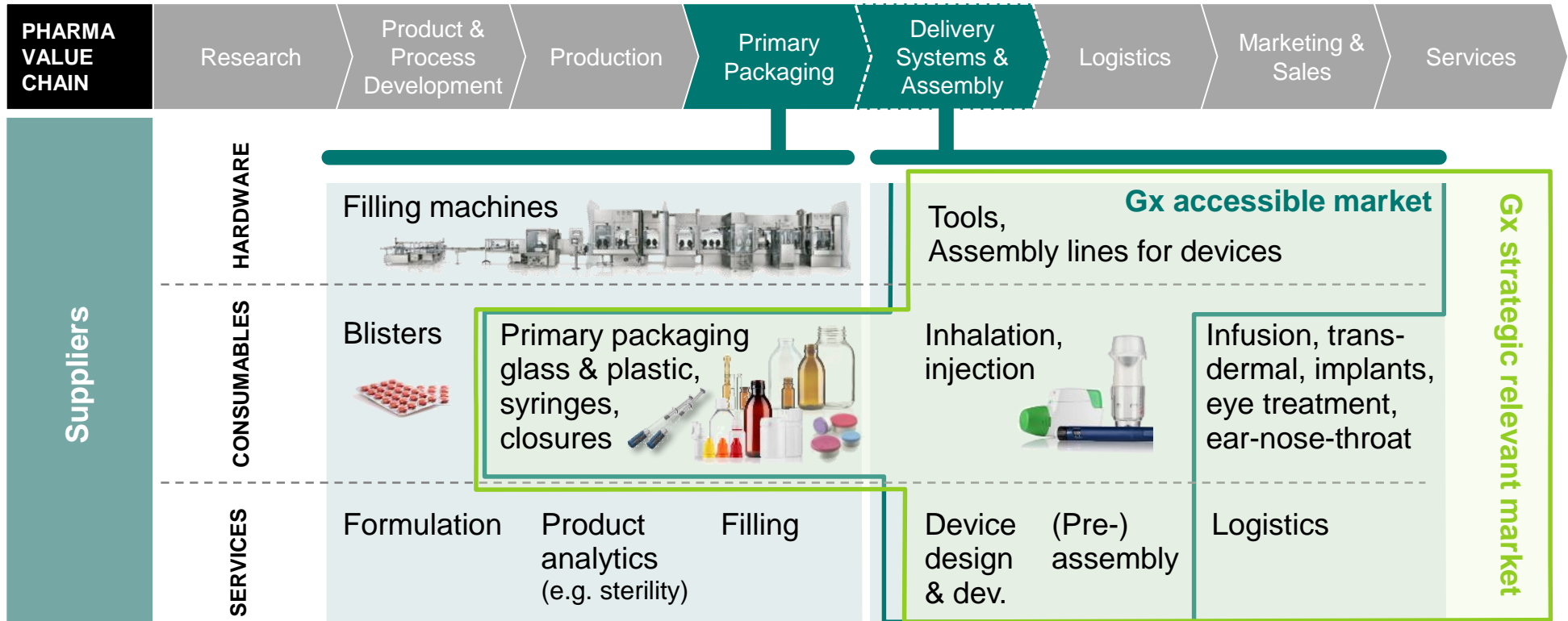
2 Gerresheimer is operating in large and attractive markets

	Cosmetics Glass	Pharma Glass ¹	Pharma Plastic	Syringes	Drug Delivery Devices
					
Estimated Market Size 2017² (in € bn)	~ 1.8	~ 2.2	~ 5.8	~ 0.9	~ 4.0
Market CAGR '17-'22² (in %)	LOW SINGLE DIGIT			MID SINGLE DIGIT	

The strategic relevant core market for Gerresheimer is today ~ € 15bn

1. Tubular Glass + Moulded Glass Pharma
 2. Strategic relevant markets, Gerresheimer estimates

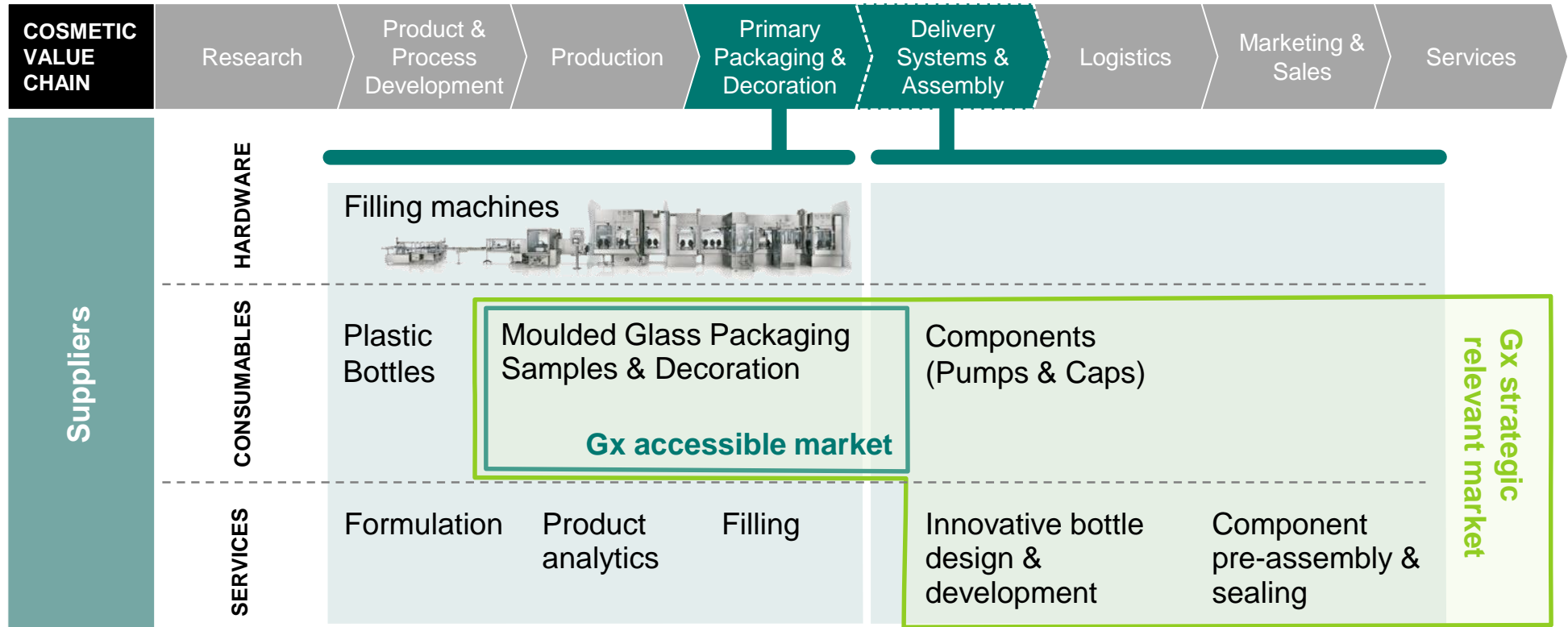
3 Clear definition of target markets in Pharma & Healthcare ...



MUST HAVES

- 1 Superior product and Technologies**
- 2 Cost leadership**
- 3 Min. #3 for market shares**

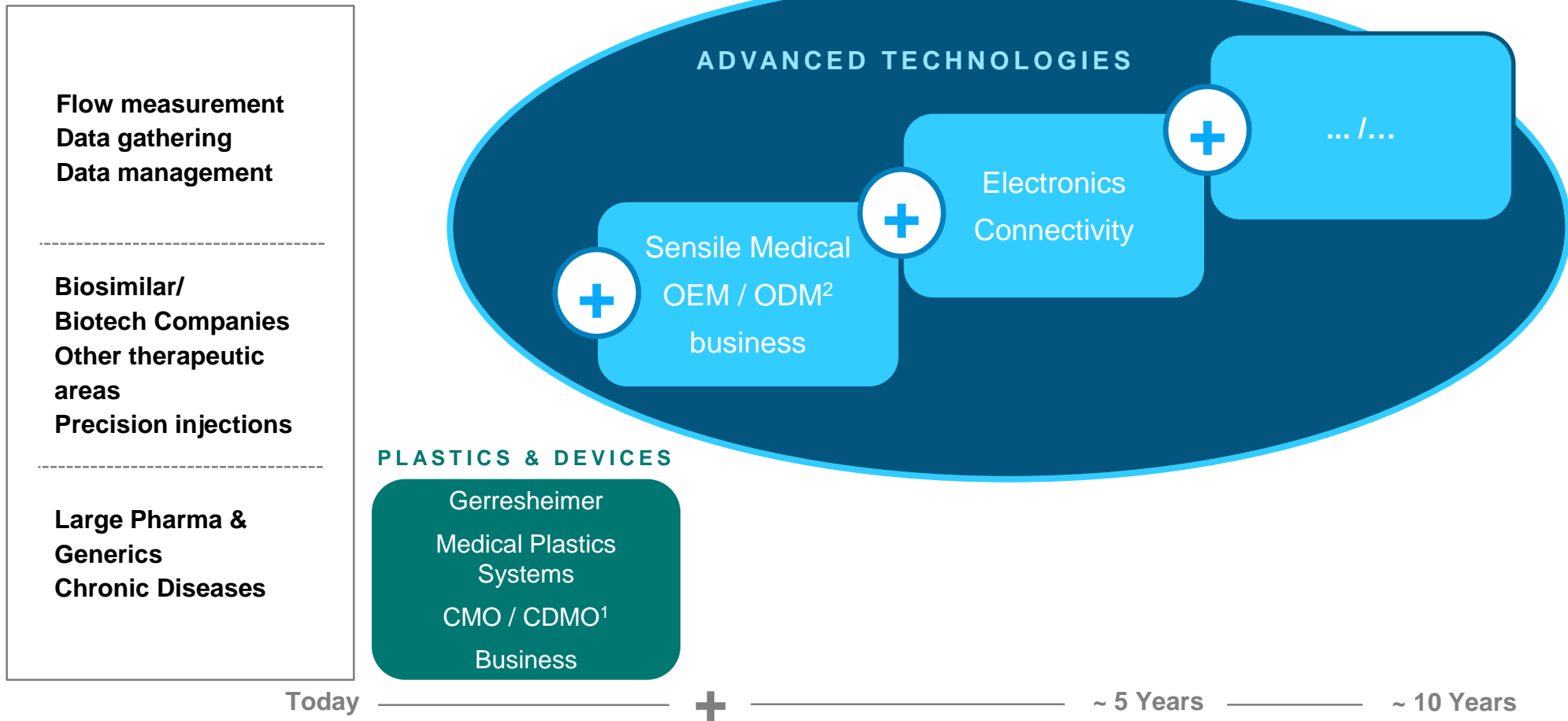
3 ... as well as in Cosmetics



MUST HAVES

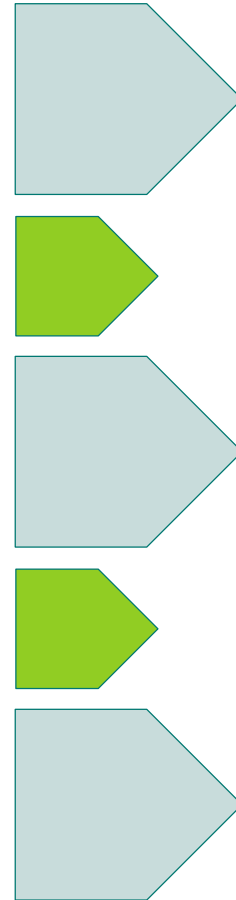
- 1** Superior product and Technologies
- 2** Cost leadership
- 3** Min. #3 for market shares

4 Expanding with Advanced Technologies to a full solution provider to the Pharma Industry



1. CMO / CDMO: Contract Manufacturer Organization, Contract Development Manufacturer Organization
 2. OEM / ODM: Original Equipment Manufacturer / Original Design Manufacturer

4 Sensile Medical integration completed, and is a first step to target new therapeutic areas & vertical integration



Clear roadmap

- Current projects
- Lead generation
- Operational readiness for Medical Plastics Systems

Varying timelines

- Client driven
- Subject to EU or US registration procedures



5 Decisive steps to accelerate mid-term earnings growth have been made in FY 2018 and drive investments for 2019 and 2020

Priority has been to assess all the big projects which have been launched in the course of the year

Syringes: adapting to where we play (commodity vs high value products)

- Buende as “flagship” plant
 - RTF 5 and soon RTF 6
 - RTF vials
- Other “main stream” plant to be built in Eastern Europe in the mid-term

Medical Plastics Systems: driving manufacturing changes worldwide

- Capacity expansion in Czech Republic
- Kuessnacht (Switzerland) closure
- New plant in Eastern Europe (for Medical Plastics Systems and later on for Syringes)
- Pfreimd as future CMO for Sensile Medical

Biosimilar and Biotech: ensuring readiness for small batch production in our TCCs

- Wackersdorf
 - For plastics devices & systems, glass syringes and soon Sensile Medical parts
- Peachtree
 - For plastics devices in the US since 2019

PPG: towards more automation & standardization

- Consistent automation across all production steps (packing, inspection, etc.)
- Digitalization to support improved processes

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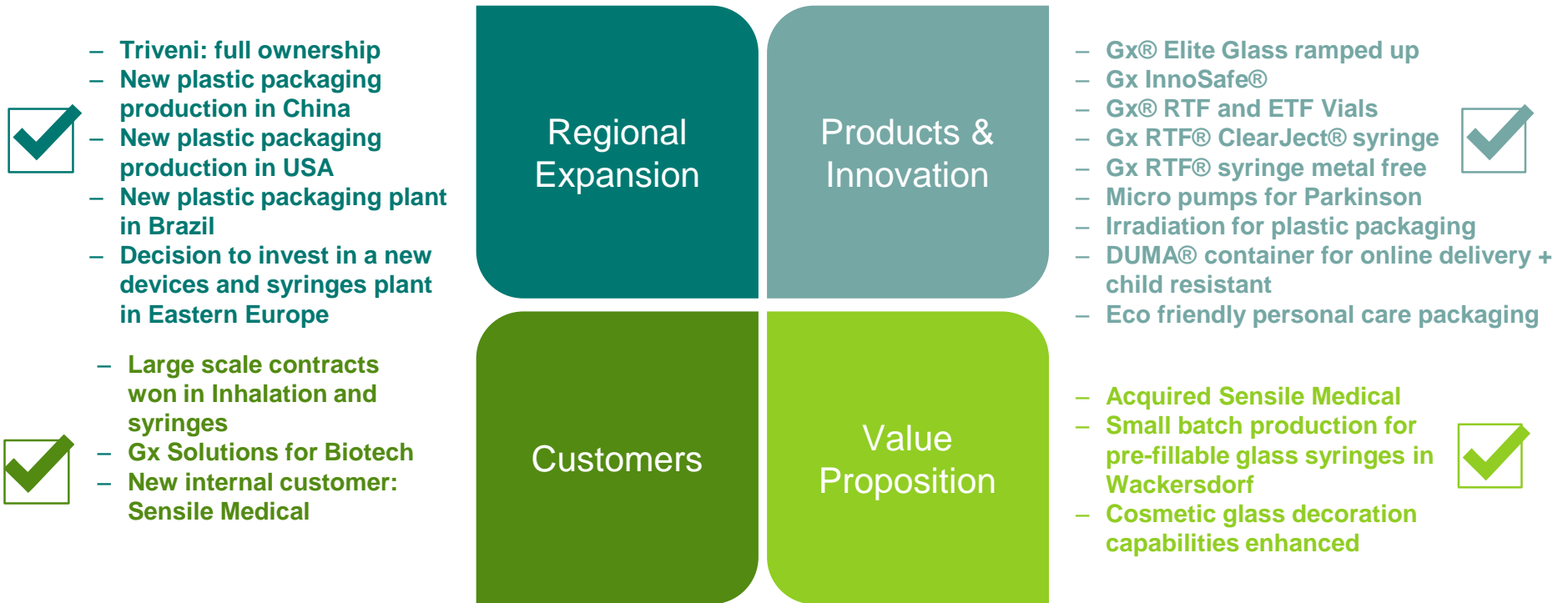
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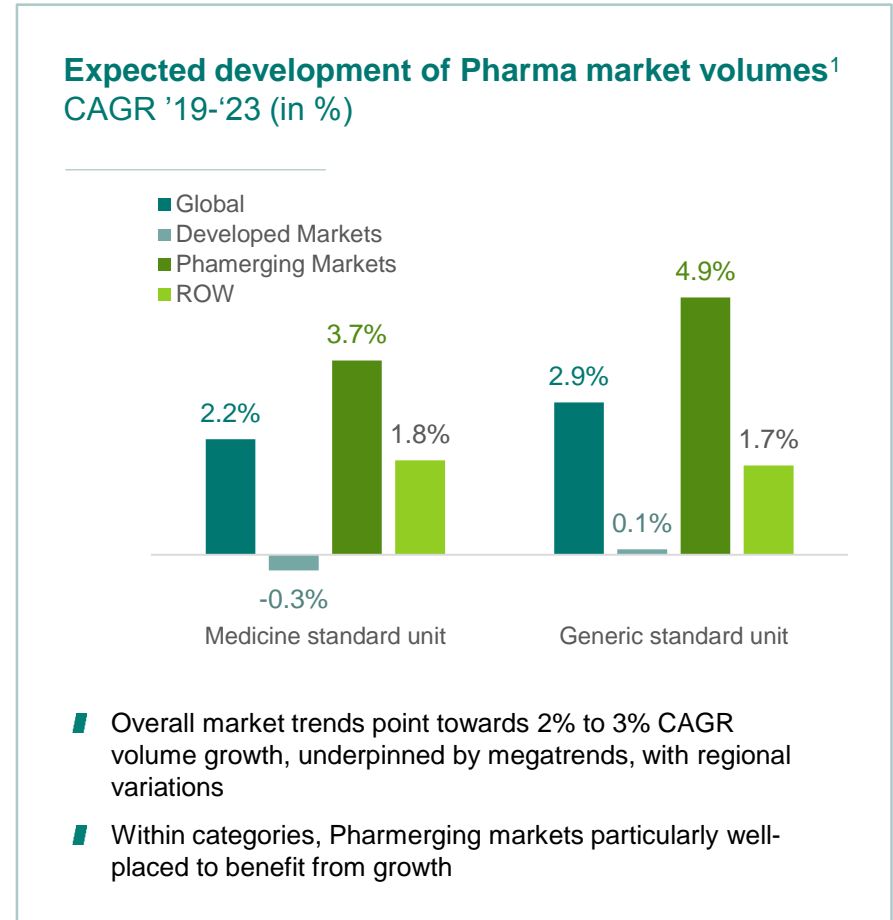
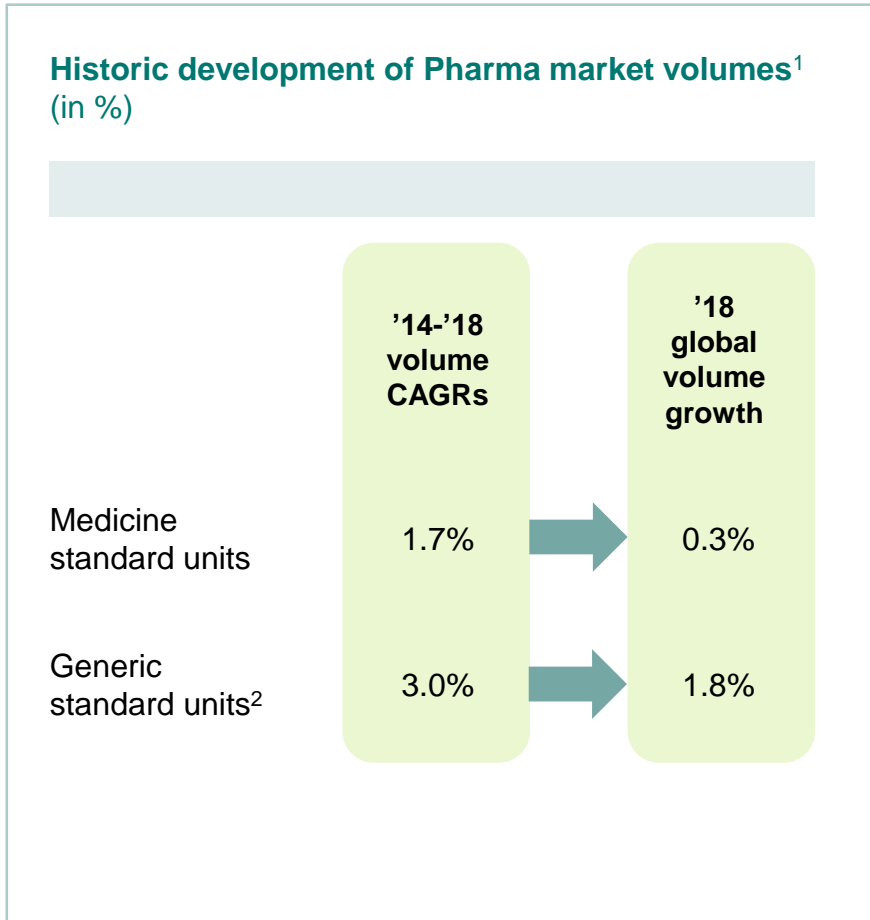
Executing on the deployment of our growth levers in FY 2018



Selected examples



Market context as defined by IQVIA



1. IQVIA (former Quintiles IMS) January 2019
 2. Generic units are included in Medicine units

Financial targets achieved, back to growth in FY 2018

1

Revenues growth reignited in FY 2018 whilst network charges, energy costs and raw materials have dampened profitability in H2 2018

METRICS	GROUP EXCL. SENSILE MEDICAL: FY 2018 GUIDANCE	ACHIEVED FY 2018
Revenues (FXN ¹)	Approx. EUR 1.38bn to EUR 1.4bn	EUR 1,394m
Adj. EBITDA (FXN ^{1,2})	Approx. EUR 305m to EUR 315m Depending on the degree of advancement reached with our Inhalation growth project and on macro factors, Adj. EBITDA may tend towards approx. EUR 305m for FY 2018	EUR 307.5m
Capex (% FXN ¹ revenues)	Depending on the degree of advancement reached with our growth projects ~ 8%	8.4%
Average NWC (% revenues)	Around 16% in FY 2018	17.3%



2

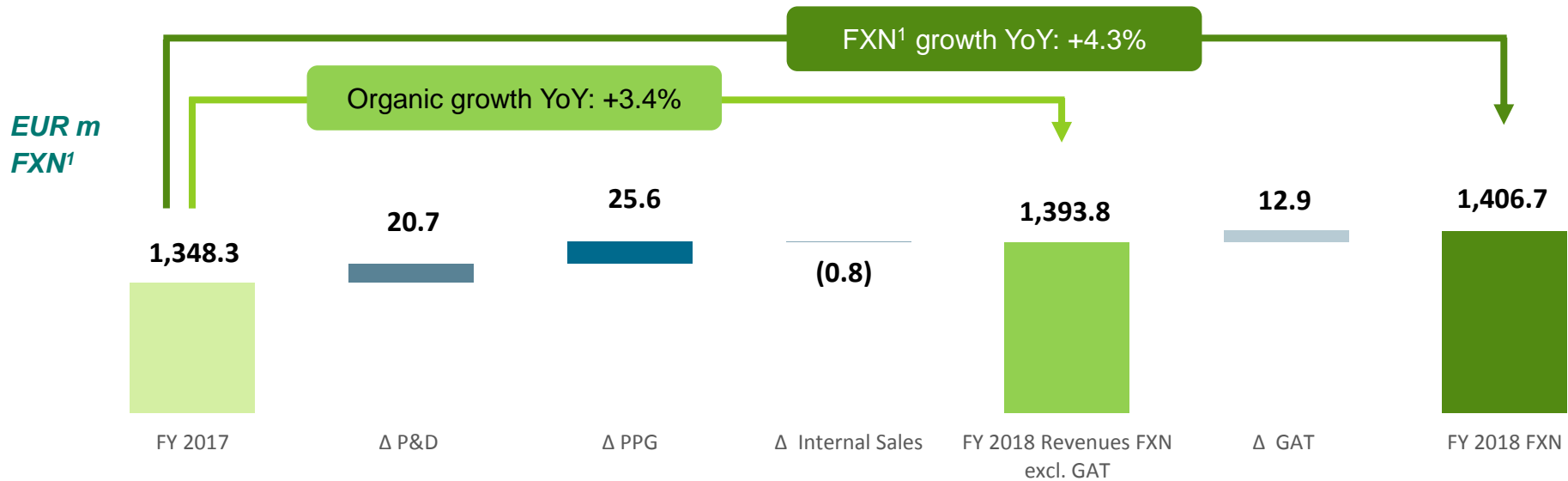
Slight profitability outperformance at Sensile Medical whilst revenues came in as expected

METRICS	SENSILE MEDICAL: FY 2018 PRELIMINARY TARGETS	ACHIEVED FY 2018
Revenues	~ EUR 15m	EUR 12.9m
Adj. EBITDA	Not communicated at the time of the deal announcement	EUR 3.0m
Adj. EBITA	~ EUR -2m	EUR 1.9m



1. Average budgeted exchange rate assumption for FXN Guidance 2018: Average currencies for FY 2017 (e.g. EUR 1.00 = USD 1.12)
2. Excluding the expenses from the fair value measurement of the Triveni Polymers Private Ltd. put option in Q1 2018 in the amount of EUR 1.1m and of EUR 1.4m in Q3 2018 related to the network charges.

Organic revenues growth of 3.4% achieved in FY 2018



**P&D FY 2018 performance review
+ 2.7% (EUR 20.7m YoY)**

- Good performance overall in Plastic Packaging
- Syringes slightly up YoY
- Contract Manufacturing with mixed performance
 - Peachtree continued to perform well
 - Lower European demand from a few device customers where we are single source supplier
 - Loss of major inhaler customer weight on YoY comparison
 - Tooling revenues in line with expectations

**PPG FY 2018 performance review
+ 4.3% (EUR 25.6m YoY)**

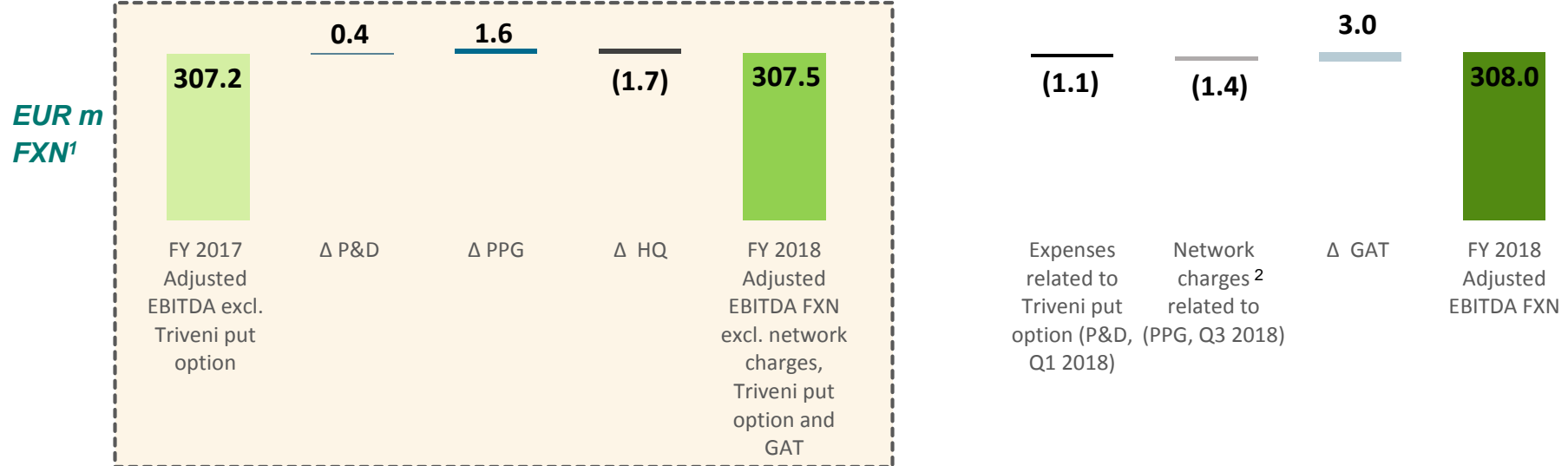
- US injectable recovery continued in Q4, strong growth overall in FY 2018
- Strong growth in Cosmetics
- European pharma glass up YoY

**GAT FY 2018 performance review
EUR 12.9m YoY**

- Revenues development for Sensile Medical in line with expectations
- Development revenues only

1. Average budgeted exchange rate assumption for FXN guidance 2018: Average currencies for FY 2017 (e.g. EUR 1.00 = USD 1.12)

Resin and European gas prices as main negative swing factors for profitability in FY 2018



P&D FY 2018 performance review EUR 0.4m YoY (excl. Triveni put option)

- Negative temporary impact due to higher resin prices impacted profitability in plastic packaging by EUR 5m
- Syringes profitability improved YoY
- Contract Manufacturing with mixed performance
- Build up of additional capacity in the Czech Republic to host new inhaler project started

PPG FY 2018 performance review EUR 1.6m YoY (excl. network charges)

- Higher capacity utilisation improved margins in the US YoY
- However, higher gas prices YoY currently affect margins, in particular for Moulded Glass Europe
 - Approx. EUR 5m of costs higher YoY
- Furnace overhaul at Chicago plant completed in the first weeks of Q4 2018

GAT FY 2018 performance review EUR 3.0m YoY

- Adj. EBITDA slightly better than expected due to mix of various development contracts

1. Average budgeted exchange rate assumption for FXN guidance 2018: Average currencies for FY 2017 (e.g. EUR 1.00 = USD 1.12)

2. Expenses of EUR 1.4m in Q3 2018 related to the network charges. The European Commission has decided that the exemption from network charges granted to large electricity consuming enterprises in 2012 and 2013 was an illegal state aid.

FX-Impact of EUR 39.0m on FY 2018 Revenues and EUR 9.4m on Adjusted EBITDA at Group level

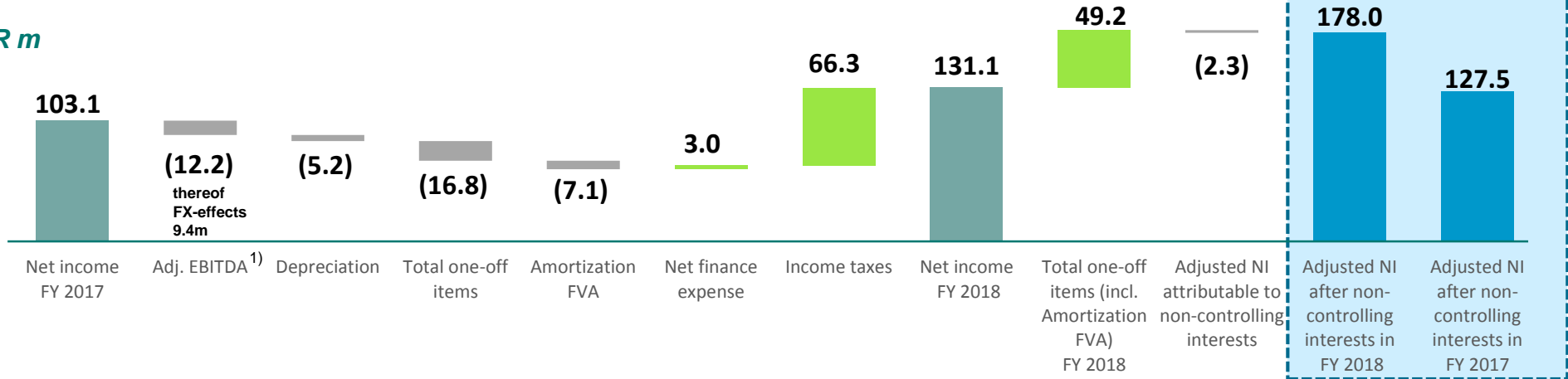
FY 2018 review

EUR M	Group	P&D	PPG	GAT
Revenues	1,367.7	751.3	605.2	12.9
- of which FX effect	-39.0	-26.6	-12.4	0.0
Adj. EBITDA	298.6 ^{1,2}	203.0 ²	114.7 ¹	3.0
- of which FX effect	-9.4	-7.9	-1.5	0.0
- Adj. EBITDA margin %	21.8 ^{1,2}	27.0 ²	19.0 ¹	N.A.
Adj. EBITA	202.1 ^{1,2}	156.2 ²	66.8 ¹	1.9
- Adj. EBITA margin %	14.9% ^{1,2}	20.8% ²	11.0% ¹	N.A.

1. Including expenses of EUR 1.4m in Q3 2018 related to the network charges. The European Commission has decided that the exemption from network charges granted to large electricity consuming enterprises in 2012 and 2013 was an illegal state aid.
2. Including the expenses from the fair value measurement of the Triveni Polymers Private Ltd. put option in Q1 2018 in the amount of EUR 1.1m

Adjusted net income after non-controlling interests EUR 50.5m higher than 2017, mainly driven by lower taxes

EUR m



**Change in net income YoY
EUR +28.0m**

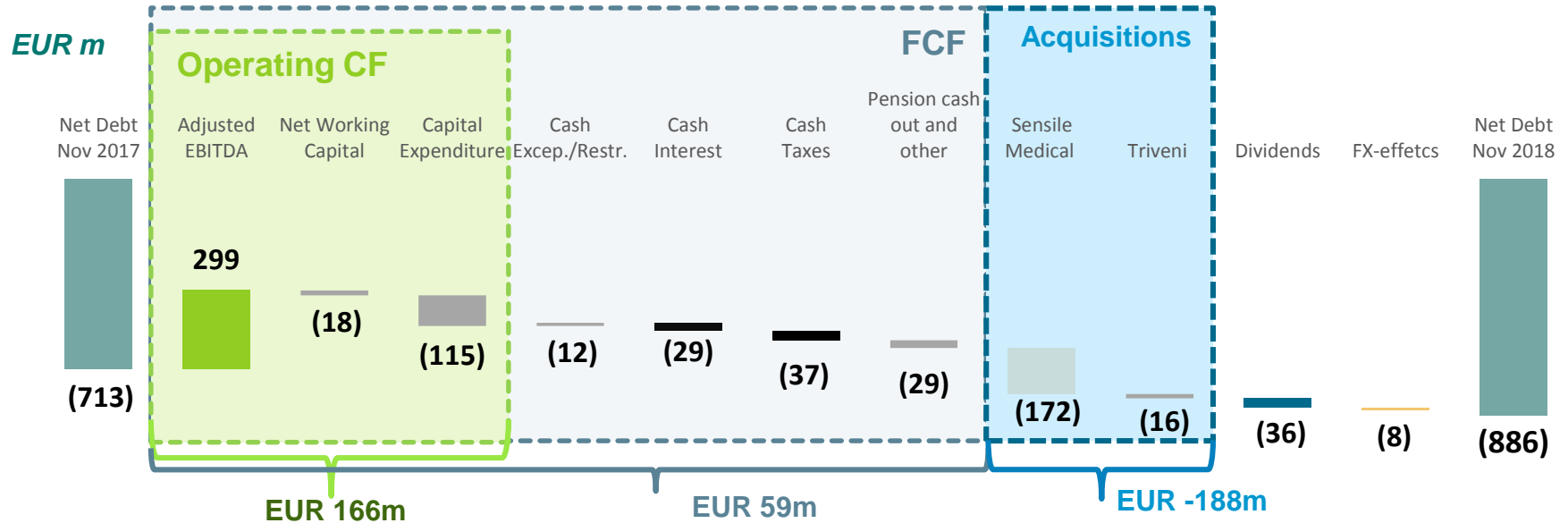
- Slightly higher depreciation as a factor of higher capex in past years
- One-off items mostly relating to the reorganisation within the Plastics & Devices, Kuessnacht closure, costs due to severances with board members and the Sensile Medical acquisition
- Increase in amortization of fair value adjustments as a result from consolidation of Sensile Medical
- Lower interest expenses due to redemption of bond in May 2018
- Lower income taxes, mainly due to US tax reform (EUR 44.8 m)

**Change in Adjusted net income after non-controlling interests YoY
EUR +50.5m**

- EUR 49.2m of adjustments including amortisation and tax effect and one-off items
- Adjusted net income after non-controlling interests is 50.5m higher as in 2017
- Adjusted EPS after non-controlling interests at EUR 5.67 in 2018 versus EUR 4.06 in 2017

1. Including the expenses from the fair value measurement of the Triveni Polymers Private Ltd. put option in Q1 2018 in the amount of EUR 1.1m and of EUR 1.4m in Q3 2018 related to the network charges.

Increase in net debt YoY essentially driven by the acquisition of Sensile Medical



Operating and Free Cash Flow

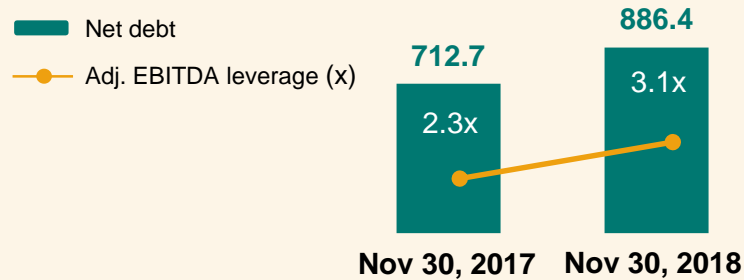
- Free Cash Flow before acquisitions of EUR 59m in 2018
- Significant FX effects, mainly due to USD FX-rate

Acquisitions

- A total of EUR 175m was paid as initial purchase price for Sensile Medical in 2018
 - An other EUR 25m tranche has been paid in December
 - Anticipating total future payments in the amount of EUR 60m in 2019 resulting in a total cash consideration of EUR 260m instead of EUR 350m
- As announced early 2018, the remaining 25% of Triveni have been acquired during the year, as a result of the call option exercise

Financial condition and liquidity well balanced

NET DEBT AND FINANCIAL LEVERAGE



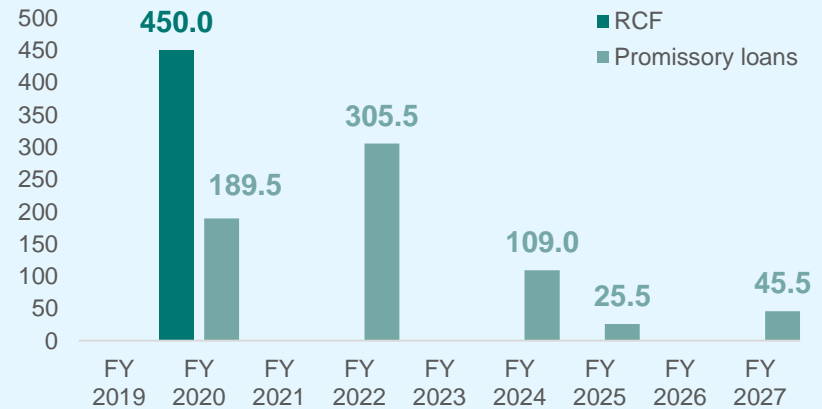
FINANCIAL POSITION

KPIs	Nov 30, 2018
Net Debt (EUR)	886.4
Adj. EBITDA leverage	3.1x
Adj. EBITDA leverage covenant	3.5x

NET DEBT SUMMARY

IN EUR M	FY 2017	FY 2018
Drawn portion of RCF	-	264.4
Promissory loans (2017)	250.0	250.0
Promissory loans (2015)	425.0	425.0
Bond	300.0	-
Local borrowings and leasing	24.7	27.6
Cash and cash equivalents	(287.0)	(80.6)
Total net financial debt	712.7	886.4

EXPIRY DATE MAIN FACILITIES



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Shaping our assumptions for 2019 and following years



Ambition remains to outperform overall market volume growth



We are planning higher investments for FY 2019 and FY 2020 to support capacity expansion for new products and to drive productivity improvements.



Sensile Medical is expected to generate meaningful part sales from 2021 onwards



We expect the Group to significantly improve Operating Cash Flow margin as a result of improved Adjusted EBITDA margin and return to historical capex levels from 2021 onwards

Guidance parameters for FY 2019

At Group level and FXN²:

METRICS	FY 2018 BASIS ¹	EXPECTED FY 2019 (FXN ²)
Revenues	EUR 1,359.7m	~ EUR 1.40bn to EUR 1.45bn
Adj. EBITDA	EUR 289.1m	~ EUR 295m (<i>plus/minus EUR 5m</i>) ³
Capex (% FXN sales)	8.4%	~ 12% for 2019

Wider financial framework including Sensile Medical:

METRICS	POLICY
Net Working Capital (% Sales)	~ 16%
Adjusted EBITDA leverage (x)	2.5x
Dividend payout as % of Adj. NI after non-controlling interests	20% to 30%
Gx ROCE mid-term	~ 15%

1. See page 106 of FY 2018 annual report
2. See page 105 of annual report FY 2018 for currency assumptions regarding FY 2019
3. Excluding approximately EUR 90m from the derecognition of liabilities expected in Q1 2019

Indications for the years 2020 -2022

At Group level

EXPECTED TOP LINE GROWTH

- **4% to 7% FXN revenues growth per annum for the years 2020 – 2022 based on**
 - Market volume growth
 - Gx market outperformance
 - Growth projects
 - Sensile Medical

EXPECTED ADJUSTED EBITDA MARGIN DEVELOPMENT

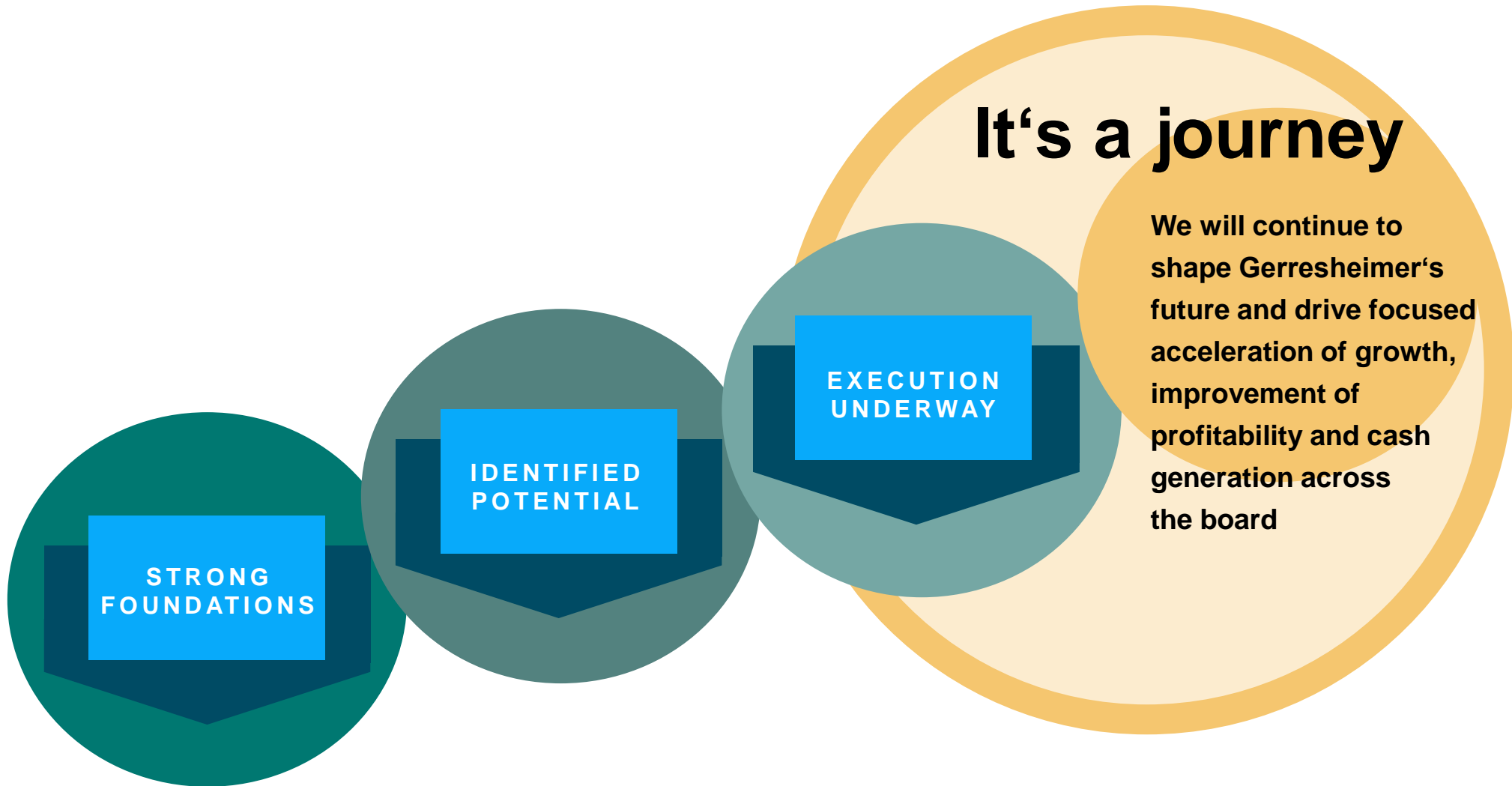
- ~ 21.0% in FY 2020
- ~ 23% for the years FY 2021 & FY 2022

EXPECTED CAPEX REQUIREMENTS

- **Temporary increase of capex to revenues in 2019 and 2020 up to 12%**
- **Decrease thereafter back to 8% of revenues from 2021 onwards**

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

Clear potential to focus on profitable growth



It's a journey

We will continue to shape Gerresheimer's future and drive focused acceleration of growth, improvement of profitability and cash generation across the board

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Development of net working capital

	Nov 30, 2018 EUR M	NOV 30, 2017 EUR M
Inventories	171.5	148.4
<i>thereof prepayments made</i>	4.7	2.1
Trade receivables	273.5	242.7
Trade payables	207.4 ³	176.3
Payments received on account of orders	34.9	29.1
Net working capital	202.7	185.7
<i>Average NWC in % of LTM revenues¹</i>	<i>17.2%²</i>	<i>16.5%</i>

1. In percentage of FXN revenues
2. Excluding Sensile
3. Including EUR 0.1 m non-current trade payables

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

Overview of Abbreviations and Definitions

ABBREVIATIONS AND DEFINITIONS

Adj. EBITDA	Earnings 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 net income divided by 31.4m shares
Adjusted net income	Consolidated net income before non-cash amortization of fair value adjustments, restructuring expenses, impairment losses, one-off income and expenses (including 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 interests, taxes and amortization
EBITDA	Earnings before interests, taxes and 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
Leverage	The relation of net financial debt to adjusted EBITDA of the preceding twelve months, according to the current credit facility agreement.
Net debt	Short and long term debt minus cash and cash equivalents
Net finance expense	Interest income and expenses and 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 after non-controlling interests
RCF	Revolving credit facility
yoy	year-on-year

Financial calendar and contact details

FINANCIAL CALENDAR	
April 11, 2019	Interim Report 1st Quarter 2019
June 6, 2019	AGM
July 11, 2019	Interim Report 2nd Quarter 2019
October 10, 2019	Interim Report 3rd Quarter 2019

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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.