

# Financial Foundation for our Growth Strategy

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# Agenda

- **Presentation of new Guidance**
- Efficient Capital Allocation at Gerresheimer
- Evolution of Reporting
- Areas of Further EPS Improvement



# Profitable Growth Accelerating

## Guidance for FY 2021 and Beyond

For Core  
Business<sup>1</sup>  
(FXN)

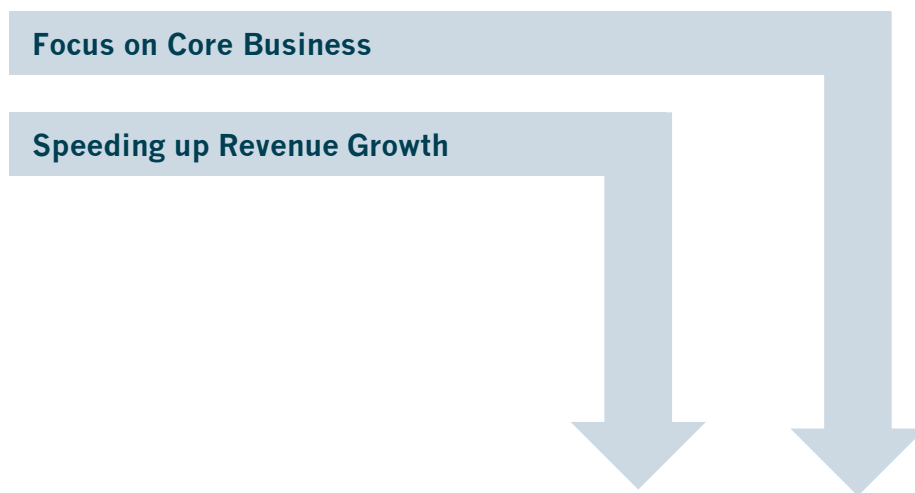
|  | FY 2021                    | Mid-term                    |
|--|----------------------------|-----------------------------|
| Accelerate<br>Revenue Growth                   | Mid-single<br>digit growth | High-single<br>digit growth |
| Further expand<br>adj. EBITDA Margin           | ~ 22 to 23%                | ~ 23%                       |
| Drive adj. EPS growth<br>and shareholder value | ≥ 10% p.a.                 |                             |

1. The core business consists of the P&D and the PPG divisions; for adj. EBITDA and adj. EPS purposes also including head office/consolidation.

# New Guidance Reflects Transformation Process

## Deep-dive Into Guidance

| Current Guidance      | FY 2020                 | Mid-term                | At Group level (FXN) |
|-----------------------|-------------------------|-------------------------|----------------------|
| Revenue Growth (in %) | Mid-single digit growth | Mid-single digit growth |                      |
| Adjusted EBITDA       | ~21% <sup>1</sup>       | ~ 23%                   |                      |
| Capex (% of revenues) | ~ 12%                   | 8 to 10%                |                      |



**EPS Key Performance Indicator for “New” Gerresheimer:**

- Focus on shareholder value and return
- Agility to invest into growth and business opportunities
- Evolution to innovation leader and solution provider with increasing non-capitalized R&D

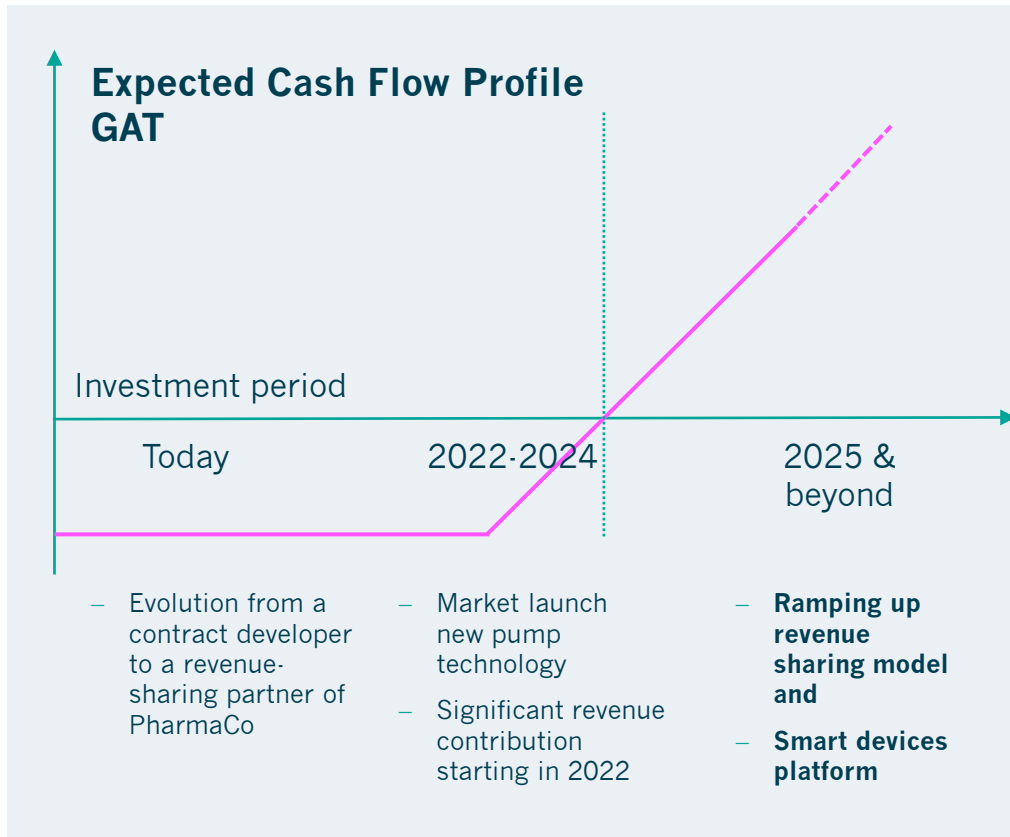
**Adj. EPS as Dividend Base**

| New Guidance          | FY 2021                 | Mid-term                 | For Core Business (FXN) |
|-----------------------|-------------------------|--------------------------|-------------------------|
| Revenue Growth (in %) | Mid-single digit growth | High-single digit growth |                         |
| Adjusted EBITDA       | ~22 to 23%              | ~ 23%                    |                         |
| Adj. EPS growth       | ≥ 10% p.a.              |                          |                         |

1. Including a positive effect of EUR 9m to EUR 11m from the transition to IFRS 16.

# Advanced Technologies as Potential Game Changer for Gerresheimer

## Cash Flow Profile Advanced Technologies



- Gerresheimer Advanced Technologies (GAT) is our innovation hub
  - Bringing our pump technology to the market
  - Finding further dedicated and therapy optimized solutions
  - Internal value of GAT is around EUR 300 m
- GAT is our nucleus for smart devices
- Due to a different risk profile, GAT is not included in our guidance
- Advanced Technologies as a call option

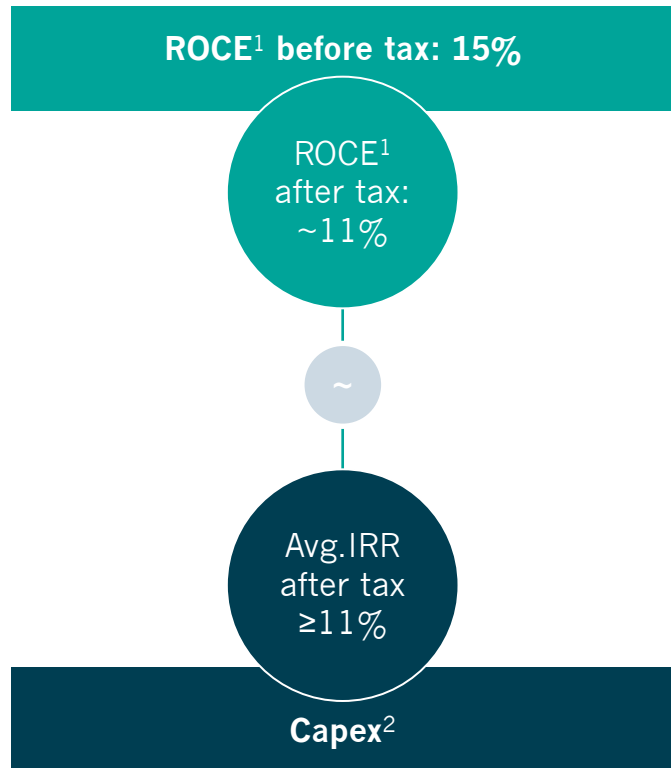
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# Rigorous Capital Allocation, 15% ROCE Target

## Investment Guidelines and Principles



- Holistic capital allocation approach across divisions and geographies
- Mid-term ROCE before tax target 15%
- KPIs for Capex decisions: IRR, payback period and NPV
- With IRR after tax  $\geq 15\%$ , all foreseen growth capex projects are accretive to our ROCE
- Tight monitoring of milestones and project budgets

1. Gx ROCE

2. Includes Replacement/Maintenance, Capex Rationalization Capex and Growth Capex

# We are Seizing Unique Business Opportunities

## Investing Into Value-enhancing Future Growth

- In order to benefit from foreseeable market dynamics, we are investing ahead of the curve
- We are seizing attractive business opportunities to accelerate our profitable growth performance

|                                      |             |
|--------------------------------------|-------------|
| <b>Base Capex</b>                    | <b>4%</b>   |
| <b>Growth Capex</b>                  | <b>5%</b>   |
| <b>Unique Business Opportunities</b> | <b>~3%</b>  |
| <b>Total Cash Capex<sup>1</sup></b>  | <b>~12%</b> |

### Investment Scenario during 2021 and 2022

Growth Accelerator Projects

Unique Business Opportunities:  
**Capacity Extension for Injectables<sup>2</sup>**

Capex: ~70 m  
IRR: ~25%



Contract Manufacturing:  
**Auto Injector Contract**

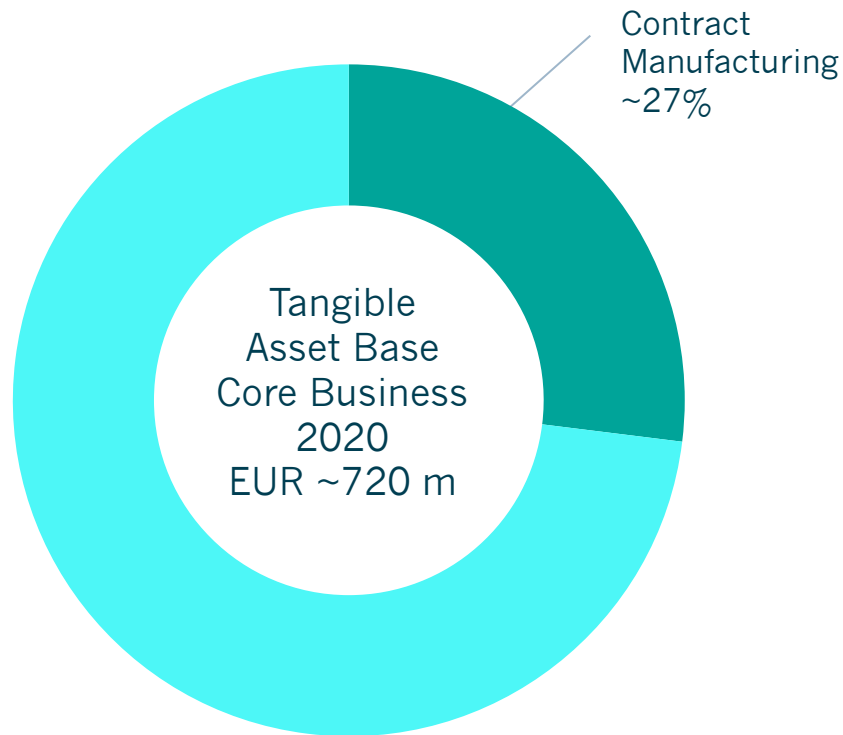
Capex: ~30 m  
IRR: >25%

1. Capex spend in percentage of sales in 2021 and 2022 respectively  
2. Total Capex spend until 2026 EUR ~140 m



# Contract Manufacturing: Limited Downside Risk

## Capital Risk Exposure in Contract Manufacturing

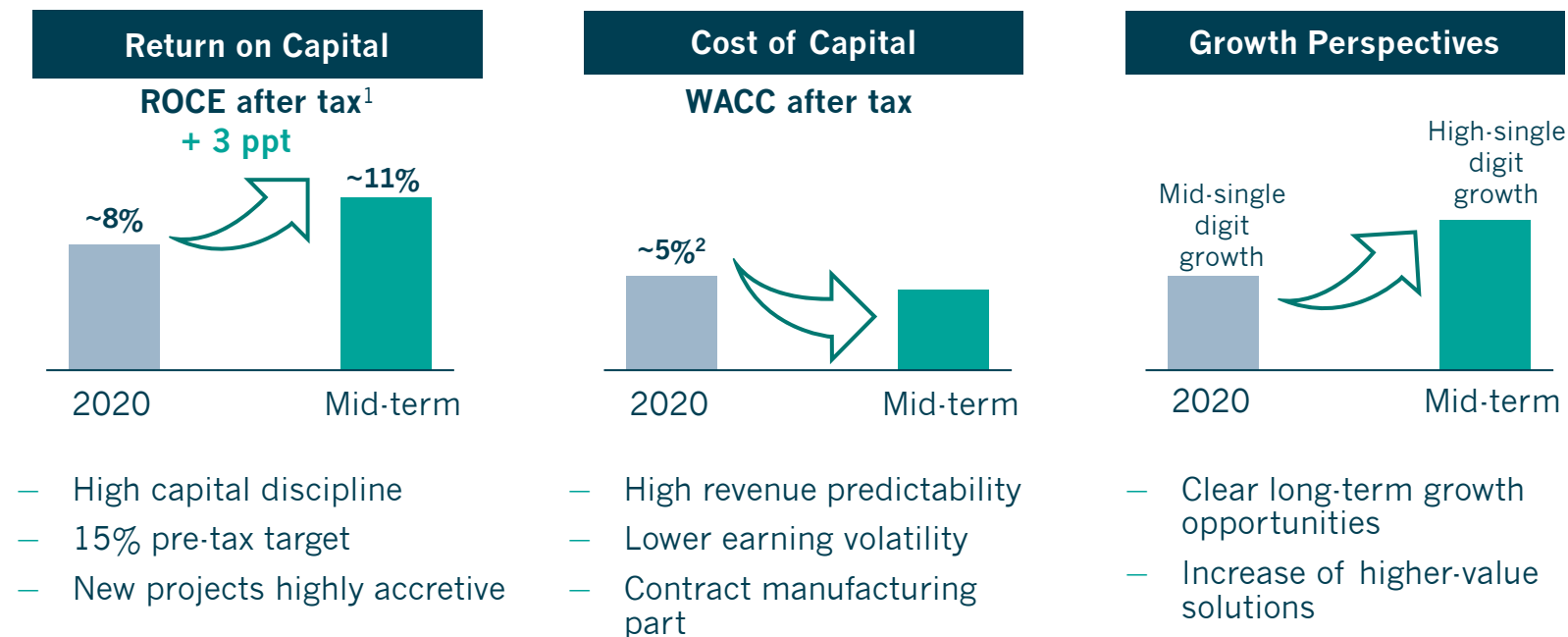


- Contract Manufacturing investments are projects with very limited downside risk and only upside return:
  - Long-term customer retention of at least 4 to 5 years
  - Customer is compensating for assembly machines and tools
  - In case of termination of contract: Customer indemnifies for the incurred investment
- Practically no risk for capital employed in case of contract manufacturing

# Value Creation Through Accretive Growth Projects

## ROCE, WACC and Growth in Core Business

- Various growth opportunities despite capital discipline (15% pre-tax ROCE; ~11% post-tax ROCE)
- Economic value creation through (a) higher ROCE-WACC spread and (b) more accretive growth opportunities



1. Mid-term target ROCE of 15% before tax; mid-term tax rate of 25%; average capital employed defined as total assets less non-interest bearing liabilities, cash and cash equivalents; EUR ~ 1.8 bn in 2020

2. Post tax WACC of ~5% is average of theoretical WACC calculation of 3.6% (based on Axioma beta) and broker median WACC of 6.3%

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# Different Perspective on Gerresheimer

## Illustrating our Growth Story in the Financial Presentation

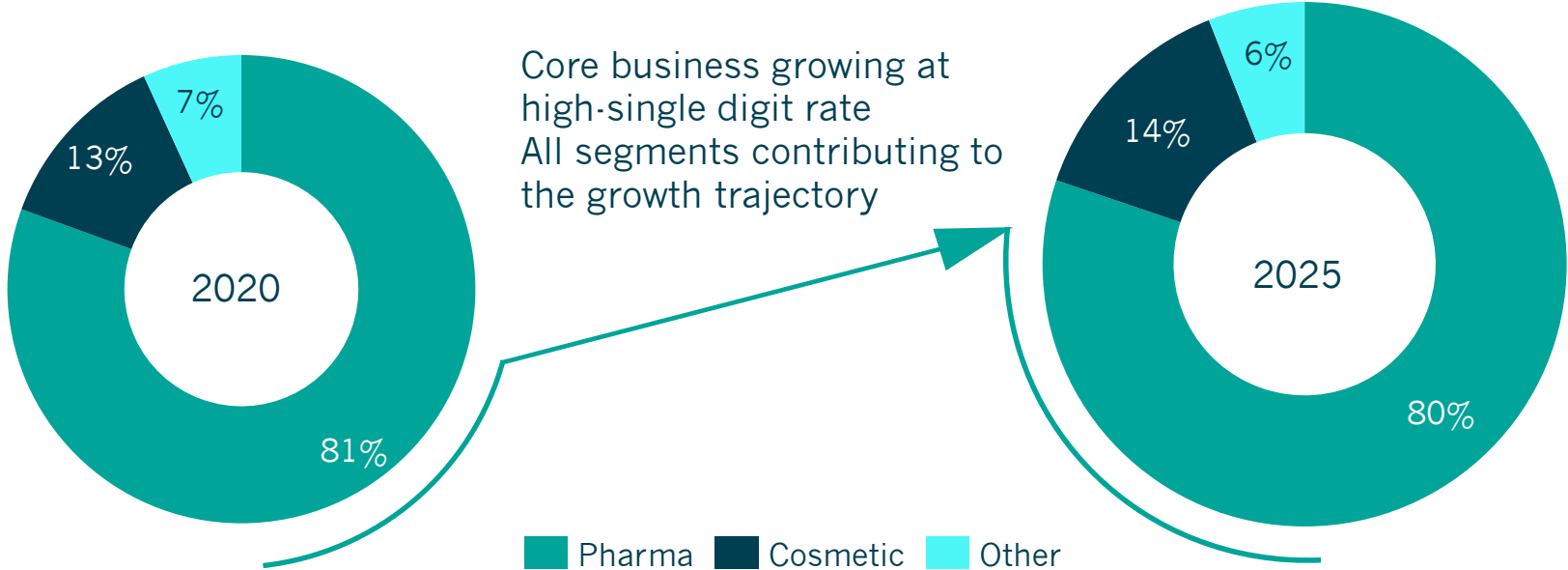
- Gerresheimer is issuing its quarterly financial statements including a segmentation for the KPIs Revenue Growth and Adj. EBITDA into
  - P&D
  - PPG
  - GAT
  - Central/Other
- To identify the value drivers, we will provide insight on the growth dynamic of
  - Product segments
  - Customer application segments



# Core Business Grows High-single Digit

## Core Business: Revenue by Segment

Micropumps not included



# In Pharma Overproportionate Growth with High-value Solutions

## Core Business: Pharma Revenue by Segment

Micropumps not included



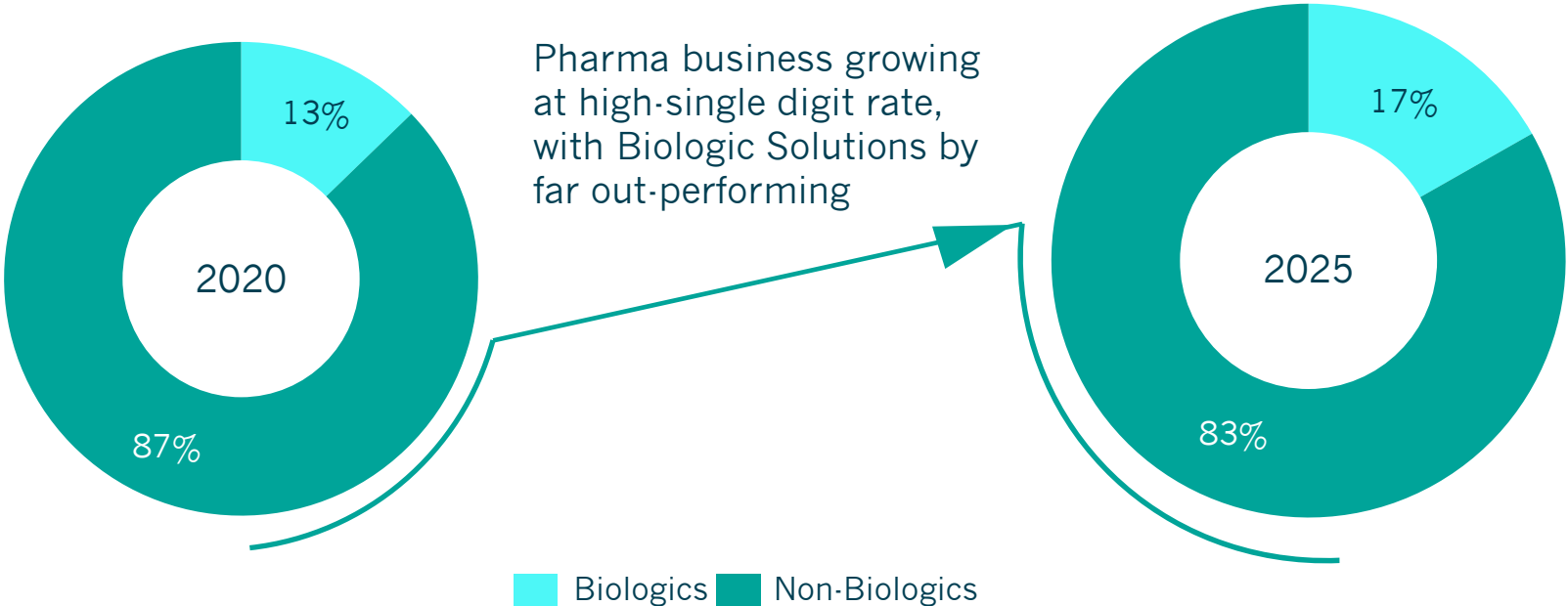
1. High-value Solutions comprises innovative products (e.g. ELITE glass), solutions for biologic drugs and products with a high production complexity (e.g. RTF solutions)



# Outstanding Growth with Biologics Customers

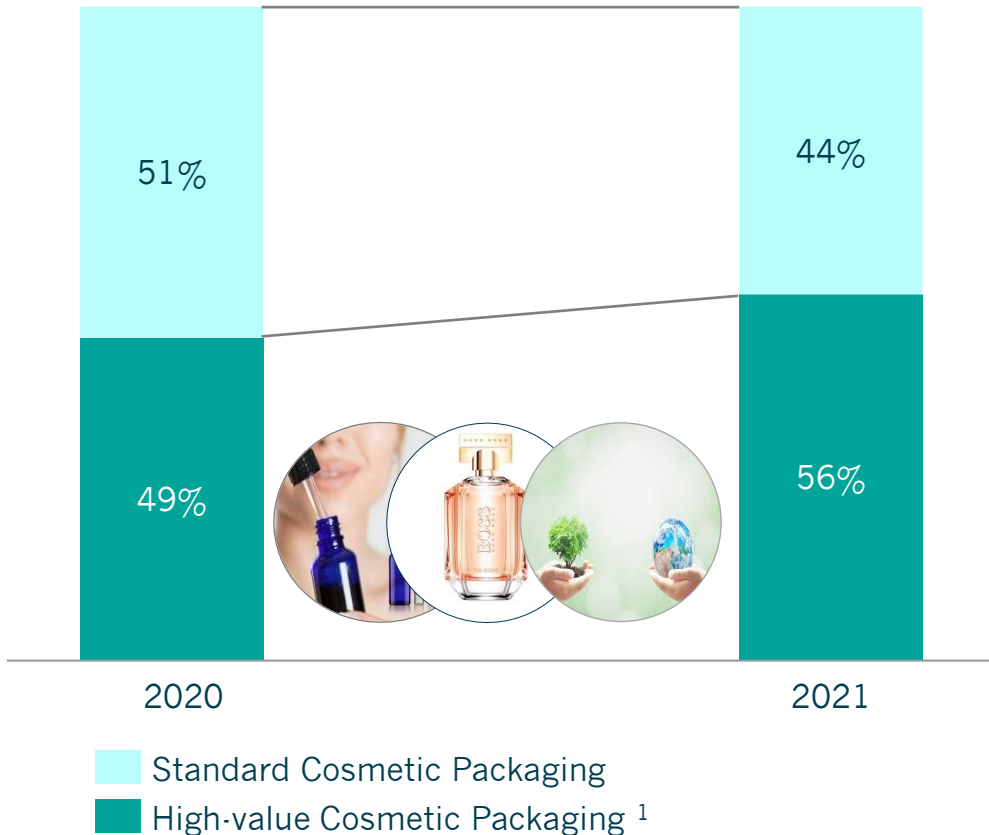
## Core Business: Pharma Proprietary Revenue by Customer Application

Micropumps not included



# Share Shifting to High-value Cosmetic Packaging

## Core Business: Cosmetics Revenue by Segment



- Focus on growth in high-value cosmetic packaging i.e., decorated glass packaging with high PCR glass share, the “Selective” segment and cosmetic pipettes
- Share-shifting from standard cosmetic packaging towards high-value cosmetic packaging solutions
- In a growth trend for cosmetic packaging overall, further increase in share of high-value cosmetics projected

1. High-value Cosmetic Packaging comprises all decorated cosmetic packaging, PCR glass ranges, the “Selective” segment and cosmetic pipettes

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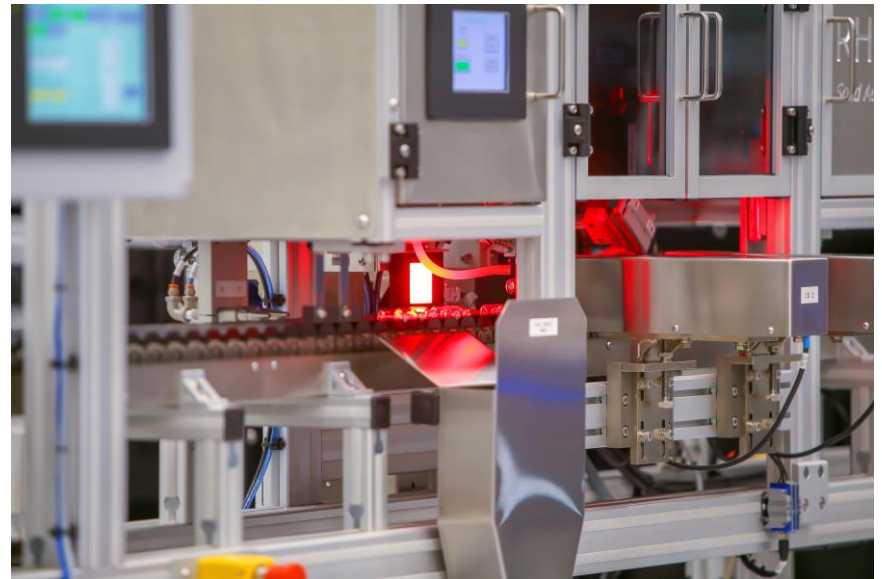
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# Longer Useful Life of Assets due to Leaps in Technology and Maintenance Efforts

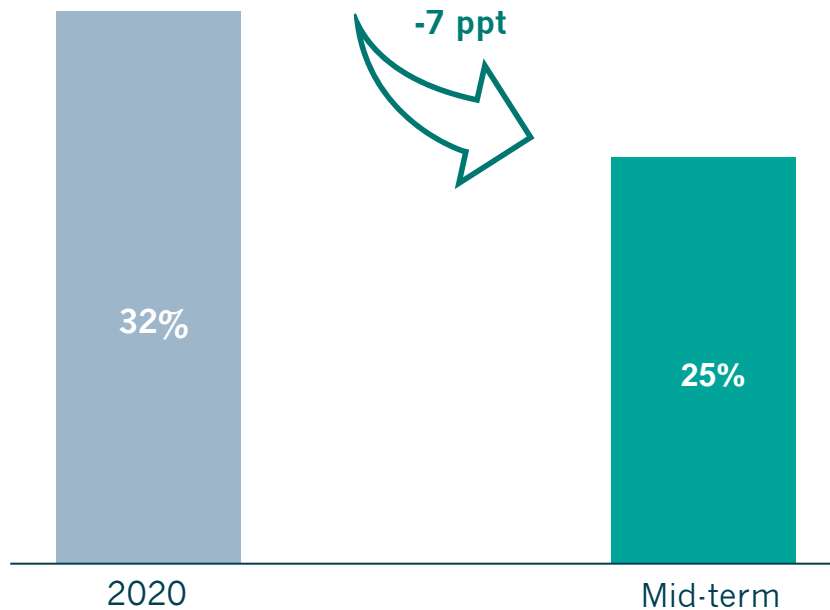
## Useful Life of Assets in Core Business

- During the past years, technology made significant progress allowing for longer useful life of technical equipment and machinery of e.g., latest generation vial lines and modern melting furnaces
- Updated useful lives will be applied starting with fiscal year 2021 with an estimated reduction effect of around 10% on total (normal) depreciation



# Gradual Reduction of Tax Rate to 25%

## Development of Tax Rate in Core Business



- Higher share of group profits will arise from entities with a lower tax rate



# Executive Summary

- Guidance for 2021 going forward will be based on the Gerresheimer Core Business, highlighting the high-single digit sales growth mid-term and EPS growing at least of 10% pa starting 2021
- Gerresheimer is seizing unique business opportunities including the expansion of capacity for injectables and contract manufacturing projects
- We are thriving for growth with all divisions contributing; high-value solutions in pharma being the outstanding value growth driver