

GERRESHEIMER



Q1 2017 Earnings Presentation

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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. Q1 2017 Highlights

2. Financial Review

3. Outlook

4. Appendix

Adj. EBITDA margin maintained at record level despite expected revenues decline

REVENUES

Q1 2017 revenues impacted mainly by timing effects

- Reported revenues down 5.4% year-on-year at EUR 302.8m (FXN down 6.2%)

Adj. EBITDA

Q1 2017 Adj. EBITDA margin retained at high level

- Adj. EBITDA margin of 19.8% in Q1 2017, unchanged versus Q1 2016
- Reported Q1 2017 Adj. EBITDA of EUR 59.9m (FXN EUR 59.8m)

CASH

Solid Operating Cash Flow; Leverage unchanged at 2.6x

- Net debt of EUR 789.8m as of Feb 28, 2017

Adj. EPS¹

Adjusted EPS of EUR 0.60 reflects underlying operational performance

- EUR 0.72 achieved in Q1 2016

1. For continuing operations in Q1 2016 – accounting for LSR as discontinued operations in 2016

2. As of February 28, 2017

Timing effects and business environment uncertainties as main drivers for top line trends



Plastics & Devices

- Phasing of tooling revenues significantly impacted revenues in Plastics & Devices in Q1 2017
- Lower demand year-on-year from a few of our large Pharma customers for which we are single source supplier



Primary Packaging Glass

- Planned furnace repair in Momignies, Belgium occurred in Q1
- More cautionary stance within the industry, in particular stemming from US pharma companies

Expecting phasing of Group's revenues to be more weighted towards H2 2017

Expecting greater visibility on business trends by the end of Q2 2017

Continuous and rigorous monitoring of all key variables to deliver results

GROWTH AND OPERATING LEVERAGE



Launch of “Gx Solutions“, a new dedicated organization to better serve the specialty market



Additional investments to support the expected growth of our inhaler business in North America

COST CONTROL AND EFFICIENCIES



Maintaining operational focus towards enhanced quality output and greater manufacturing efficiencies



Flexible operating model in a number of plants to adjust to variations in demand

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Q1 2017 Group Adj. EBITDA margin maintained despite revenues decrease

Revenues by division

<i>EUR M</i>	Q1 2017	Q1 2016	GROWTH IN %	GROWTH in % FXN ¹
Total Group	302.8	320.2	-5.4	-6.2
- Of which P&D	164.6	177.6	-7.3	-9.0
- Of which PPG	138.6	142.7	-2.9	-2.5

Adjusted EBITDA by division

	Q1 2017		Q1 2016	
	EUR M	MARGIN IN %	EUR M	MARGIN IN %
Total Group	59.9	19.8	63.5	19.8
- Of which P&D	40.3	24.5	42.1	23.7
- Of which PPG	24.3	17.5	26.2	18.3

1. Average budgeted exchange rate assumption for FY 2017 is EUR 1.00 = USD 1.10

Year-on-year comparison slightly distorted by lower revenues and furnace repair costs incurred in Q1 2017

EUR M	Q1 2017	Q1 2016 ¹	CHANGE in EUR
Adjusted EBITDA	59.9	63.5	-3.6
Depreciation	-22.7	-21.2	-1.5
Adjusted EBITA	37.2	42.3	-5.1
Total one-off effects	-0.1	-1.0	+0.9
Amortization of fair value adjustments	-8.9	-9.7	+0.8
Result from operations (EBIT)	28.2	31.6	-3.4
Net finance expense	-8.5	-8.4	-0.1
Result before income taxes	19.7	23.2	-3.5
Income taxes	-6.4	-7.0	+0.6
Income tax rate	32.6%	30.2%	+240bps
Net income from continuing operations	13.3	16.2	-2.9
<i>All items below applying to continuing operations in Q1 2016 only ¹</i>			
Net income	13.3	16.2	-2.9
Total one-off effects (including amortization and tax effects)	5.9	7.1	-1.2
Adjusted net income	19.2	23.3	-4.1
Adjusted net income attributable to non-controlling interests	0.5	0.6	-0.1
Adjusted net income after non-controlling interests	18.7	22.7	-4.0
Adjusted EPS after non-controlling interests in EUR	0.60	0.72	-0.12

1. For continuing operations in Q1 2016 – accounting for LSR as discontinued operations in 2016

Solid Operating Cash Flow; Leverage unchanged at 2.6x

<i>EUR M</i>	FEB 28, 2017	NOV 30, 2016	CHANGE IN %
Total assets	2,373.7	2,374.3	-
Equity	789.9	763.3	+3.5%
<i>Equity ratio</i>	33.3%	32.1%	+120bps
Net working capital	222.1	200.3	+ 10.9%
<i>NWC in % of LTM revenues²</i>	16.4%	14.6%	+180bps
<i>Average NWC in % of LTM revenues^{2,3}</i>	16.1%	15.8%	+30bps

<i>EUR M</i>	Q1 2017	Q1 2016	CHANGE IN %
Operating Cash Flow ²	24.7	29.2	-15.4%
<i>Operating CF in % of revenues^{2,3}</i>	8.4%	9.1%	-70bps
<i>Capex in % of revenues^{2,3}</i>	5.0%	4.5%	+50bps

<i>EUR M</i>	FEB 28, 2017	NOV 30, 2016	CHANGE IN %
Net Debt	789.8	788.2	+0.2%
<i>Leverage (x)</i>	2.6x	2.6x	-

1. As reported, that is including LSR for Q1 2016
2. Excluding LSR for all periods
3. In percentage of FXN revenues

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Current assumptions point FY 2017 FXN revenues target to start at EUR 1.405bn, i.e. the lower end of the range

2017 GUIDANCE	REPORTED FY 2016	EXPECTED FY 2017
Revenues	EUR 1,375.5m	~ EUR 1.43bn (FXN ¹ - plus/minus EUR 25m) → Lower end of the range as current starting point for the year
Adj. EBITDA	EUR 307.8m	~ EUR 320m (FXN ¹ - plus/minus EUR 10m)
Adj. EPS from continuing operations after non-controlling interests	EUR 4.07 ²	EUR 4.20 – EUR 4.55
Capex (as % of revenues, FXN)	8.2% ²	~8% (FXN ¹)

Other remaining assumptions unchanged

1. At const. FX rates, based on FY 2016 reported numbers – average budgeted exchange rate assumption for FY 2017: EUR 1.00 = USD 1.10
2. Excluding LSR

Looking into 2017 – 2018: Sales targets stay ambitious; continued focus on lifting Adj. EBITDA margin objective to ~23% in FY 2018

ADDITIONAL OBJECTIVES FOR FY 2018	REPORTED FY 2016	EXPECTED FY 2018 (FXN ¹)
Organic ² sales growth CAGR 2017-2018	2.9% (FY 2016 vs FY 2015)	4% to 5%
Adj. EBITDA margin	22.4%	~ 23% (previously > 22%)
Capex (as % of revenues, FXN)	8.2% ³	~ 8%
Avg NWC (as % of revenues, FXN)	15.8% ³	16% (previously ~ 17%)
Op. CF margin (as % of revenues, FXN)	14.3%	~13%

MID TO LONG TERM GOALS	REPORTED FY 2016	EXPECTED MID TO LONG TERM
Leverage	2.6x	~2.5x
ROCE	12.6%	>12%
Dividend policy (as % of adj. NI excl. non-controlling interests)	24.9%	20% to 30%

Mid term targets remain unchanged

1. At const. FX rates, based on FY 2016 reported numbers - Average budgeted exchange rate assumption for FY 2017: EUR 1.00 = USD 1.10
2. Organic growth: Adjusted for exchange rate effects, acquisitions and divestments
3. Excl. LSR

Navigating temporary lower demand whilst focussing on delivering expected earnings

- Long term industry fundamentals unchanged despite potential weaknesses in the short term
- Client centric approach remains a priority in an evolving environment
- Proactively managing organization and processes to allow deliver on results
- Committed to execute a consistent long-term strategy with stable, long-term growing results

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Development of net working capital

	FEB 28, 2017 EUR M	NOV 30, 2016 EUR M	FEB 29, 2016 EUR M
Inventories	171.1	155.4	188.3
<i>thereof prepayments made</i>	3.2	3.1	3.0
Trade receivables	215.6	232.1	221.7
Trade payables	128.0	157.0	142.6
Payments received on account of orders	36.6	30.2	38.3
Net working capital	222.1	200.3	229.1
<i>Average NWC in % of LTM revenues</i>	<i>16.1%</i>	<i>15.8%¹</i>	<i>17.3%¹</i>

1. Excluding LSR

Development of inventories

	FEB 28, 2017 <i>EUR M</i>	NOV 30, 2016 <i>EUR M</i>	FEB 29, 2016 <i>EUR M</i>
Raw materials, consumables and supplies	51.4	49.9	52.3
Work in progress	19.3	18.4	24.7
Finished goods and merchandise	97.2	84.0	108.3
Prepayments made on inventories	3.2	3.1	3.0
Inventories	171.1	155.4	188.3

GXI Key Data

in EUR per share	2008	2009	2010	2011	2012	2013	2014	2015	2016
Adjusted EPS after non-controlling interests	1.83	1.34	1.95	2.44	2.62 ²	3.08	2.89	3.41	4.22
Cash flow from operating activities per share	5.26	3.74	5.09	4.13	5.53	4.67	5.04	6.49	5.52
Dividend	0.40	–	0.50	0.60	0.65	0.70	0.75	0.85	1.05 ¹
Dividend yield	1.5%	–	1.8%	1.9%	1.7%	1.4%	1.7%	1.2%	1.5%
Payout ratio	22%	–	26%	25%	25% ²	23%	26%	25%	25%
Share price high	38.20	27.05	29.85	36.62	41.34	50.14	56.42	76.32	76.86
Share price low	23.99	13.24	22.09	28.30	31.00	37.60	42.31	41.99	57.10
Share price at FY end	27.10	23.05	28.20	31.17	39.41	49.67	44.44	73.90	68.85
Book value per share	15.26	15.29	16.86	17.59	17.14	17.94	19.25	22.23	24.31
P/E ratio ³	14.81	17.20	14.46	12.77	15.04 ²	16.13	15.38	21.67	16.31
Market cap in EUR m	851	724	886	979	1,238	1,560	1,395	2,321	2,162
MDAX weighting year end	11.48% ⁴	1.33%	1.24%	1.40%	1.47%	1.33%	1.01%	1.42%	1.33%
Number of shares in million	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4

1. Proposed appropriation of net earnings
2. Retrospective restatement due to the early adoption of IAS 19 (amended in 2011) from December 1, 2012
3. Based on adj. EPS after non-controlling interests
4. 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
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
Organic growth	Sales growth, adjusted for exchange rate effects, acquisitions and divestments
P/E Ratio	Company's share price divided by the adj. EPS after non-controlling interests
RCF	Revolving credit facility
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)
yoy	year-on-year

Financial calendar and contact details

FINANCIAL CALENDAR	
April 26, 2017	Annual General Meeting 2017
July 13, 2017	Interim Report 2nd Quarter 2017
October 11, 2017	Interim Report 3rd Quarter 2017

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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.