

Half-year Financial Report 2022

December 1, 2021 to May 31, 2022

Gerresheimer delivers a strong first half of the year and is on track to meet its high growth targets for 2022.

- Revenues grow organically by 15.7% in first six months
- Adjusted EBITDA up organically by 7.3%
- Organic growth in adjusted EPS of 3.2%
- Guidance for the financial year 2022 confirmed

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Key figures for the Gerresheimer Group

In EUR m	Q2 2022	Q2 2021	Change in %		6M 2022	6M 2021	Change in %	
			Actual	Organic			Actual	Organic
Results of operations								
Revenues	444.6	377.0	17.9	13.0	815.4	679.8	19.9	15.7
Adjusted EBITDA	90.1	81.9	10.0	-	151.6	136.1	11.4	-
Adjusted EBITDA margin in %	20.3	21.7	-140bps	-	18.6	20.0	-140bps	-
Adjusted EBITDA (currency-adjusted)	86.7	82.5	-	5.1	147.3	137.3	-	7.3
Adjusted EBITDA margin in % (currency-adjusted)	20.3	21.8	-	-150bps	18.6	20.1	-	-150bps
Adjusted net income ¹⁾	43.4	40.8	6.2	-	64.3	59.4	8.3	-
Earnings per share in euros	0.80	0.90	-10.6	-	1.14	1.19	-3.9	-
Adjusted earnings per share ²⁾ in euros	1.34	1.28	4.7	0.8	1.97	1.85	6.5	3.2
Financial position								
Q2 2022								
Cash flow from operating activities	1.6	14.2	-88.7	-	3.4	-9.6	-	-
Cash-effective capital expenditure	-46.6	-42.7	-9.0	-	-114.9	-83.5	-37.6	-
Cash flow from investing activities	-54.5	-40.0	-36.4	-	-122.8	-75.6	-62.4	-
Free cash flow before M&A activities	-45.0	-25.7	-74.8	-	-111.4	-84.3	-32.1	-

In EUR m	May 31, 2022	Nov. 30, 2021	Change in %		May 31, 2022	Nov. 30, 2021	Change in %	
			Actual	Organic			Actual	Organic
Net assets position								
Total assets and total liabilities	3,185.3	2,877.5	10.7	-	3,185.3	2,877.5	10.7	-
Equity	1,169.6	1,002.2	16.7	-	1,169.6	1,002.2	16.7	-
Equity ratio in %	36.7	34.8	190bps	-	36.7	34.8	190bps	-
Net working capital (reporting date)	282.8	172.8	63.7	-	282.8	172.8	63.7	-
Net financial debt	1,150.7	1,025.1	12.3	-	1,150.7	1,025.1	12.3	-
Adjusted EBITDA leverage ³⁾	3.4	3.2	-	-	3.4	3.2	-	-
Employees								
Employees (reporting date)	10,803	10,447	3.4	-	10,803	10,447	3.4	-

¹⁾ Adjusted net income: Net income before amortization/impairment losses of fair value adjustments less capitalized cost components, and restructuring expenses, as well as before the balance of exceptional income and expenses and the related tax effects.

²⁾ Adjusted earnings per share, attributable to shareholders of Gerresheimer AG, based on 31.4m shares.

³⁾ Adjusted EBITDA leverage: The relation of net financial debt to adjusted EBITDA of the last twelve months according to the credit agreement currently in place.

Interim Group Management Report

Report on the Economic Position

Economic developments in the first half of 2022 have been dominated by the war in Ukraine, disruptions in global trade flows and resultant rising inflation. This has led to a noticeably bleaker economic picture in recent months. Key economic indicators have taken a sharp turn for the worse: This includes the ifo Business Climate Index compiled by the Leibniz-Institut für Wirtschaftsforschung an der Universität München e.V., which declined significantly in March 2022 following the outbreak of the war in Ukraine.

Growing concerns about the economy can also be seen in the recently revised economic forecasts for Germany and the global economy. The German Council of Economic Experts slashed its 2022 growth forecast for Germany from 4.6% in the fall of 2021 to 1.8% in April. The International Monetary Fund (IMF) also lowered its growth assumptions for the global economy in April 2022. Its experts expect growth of no more than 3.6% for 2022 as a whole, down from the 4.9% forecast in October. This is a clear deterioration in the pace of growth compared to the sharp increase of 6.1% recorded in 2021.

A look at industry trends reveals a resilient picture. IQVIA, an information service provider specializing in the health industry, expects the volume of the global pharma market to grow by 2.8% in 2022 — a similar level to the prior year (2021: 2.7%). Volumes had even surged by 7% by the end of March. One of the structural growth trends within the pharma industry is the development of biological drugs and biosimilars. The experts at IQVIA are optimistic in this respect and anticipate double-digit volume-based growth of 15% in 2022. This means that annual growth remains at the high level seen in the previous two years.

Results of Operations

Plastics & Devices

In EUR m	Q2 2022	Q2 2021	Change in %	
			Actual	Organic
Revenues ¹⁾	228.0	201.8	12.9	8.0
Adjusted EBITDA	52.7	52.5	0.3	-4.2
Adjusted EBITDA margin in %	23.1	26.0	-290 bps	-290 bps

In EUR m	6M 2022	6M 2021	Change in %	
			Actual	Organic
Revenues ¹⁾	414.0	357.1	15.9	11.9
Adjusted EBITDA	92.7	86.7	6.8	3.5
Adjusted EBITDA margin in %	22.4	24.3	-190 bps	-180 bps

¹⁾ The revenues of the divisions include intercompany revenues.

Revenues in the Plastics & Devices Division in the first six months of the financial year 2022 stood at EUR 414.0m, up from EUR 357.1m in the same period in the prior year. On an organic basis — meaning without exchange rate effects — revenues increased by 11.9%. The foreign exchange effects resulted mainly from the change in the US dollar against the euro.

Demand for plastic packaging and inhalers in particular contributed to the excellent revenue development compared to the prior year. The growth in plastic packaging revenues was also driven by price increases resulting from higher procurement prices being passed on to customers.

Adjusted EBITDA was 6.8% higher year on year, or up 3.5% on an organic basis. This moderate increase was mainly due to delays in passing on procurement prices to customers as well as temporarily unfavorable product mix effects mainly caused by phasing effects in the syringe business.

Primary Packaging Glass

In EUR m	Q2 2022	Q2 2021	Change in %	
			Actual	Organic
Revenues ¹⁾	215.7	173.6	24.3	19.4
Adjusted EBITDA	43.0	38.2	12.6	8.3
Adjusted EBITDA margin in %	19.9	22.0	-210 bps	-210 bps

In EUR m	6M 2022	6M 2021	Change in %	
			Actual	Organic
Revenues ¹⁾	399.9	320.1	24.9	20.5
Adjusted EBITDA	73.3	64.5	13.7	9.5
Adjusted EBITDA margin in %	18.3	20.1	-180 bps	-190 bps

¹⁾ The revenues of the divisions include intercompany revenues.

The Primary Packaging Glass Division increased its revenues significantly in the first half of the financial year by 24.9% to EUR 399.9m. Adjusted for exchange rate effects, revenues were up by 20.5% year on year. The foreign exchange effects resulted mainly from the change in the US dollar against the euro.

Development was positive in all business units. The pharma business benefited from strong demand for High Value Solutions such as Gx[®] RTF Vials and Gx[®] Elite Glass. Demand in the cosmetics business in the first half of the year was significantly up on the same period in the prior year. The development in revenues is also due to appropriate price increases as a response to higher procurement prices.

Adjusted EBITDA increased significantly by 13.7% year on year. Earnings in the first half of the financial year were impacted by higher procurement costs, in particular for energy and distribution. The increased costs are set to be largely compensated for by appropriate price increases in the coming quarters.

Advanced Technologies

In EUR m	Q2 2022	Q2 2021	Change in %	
			Actual	Organic
Revenues ¹⁾	2.6	1.9	37.4	37.4
Adjusted EBITDA	-0.5	-2.9	80.0	80.0
Adjusted EBITDA margin in %	-	-	-	-

In EUR m	6M 2022	6M 2021	Change in %	
			Actual	Organic
Revenues ¹⁾	5.2	3.7	42.8	42.8
Adjusted EBITDA	-3.3	-6.1	45.5	45.5
Adjusted EBITDA margin in %	-	-	-	-

¹⁾ The revenues of the divisions include intercompany revenues.

In the Advanced Technologies Division, the increase in revenues resulted primarily from the sale of micro pump systems for the treatment of Parkinson's disease, as well as from project business. The development of adjusted EBITDA was mainly due to the planned continuation of actual projects and the development of the new autoinjector.

Reconciliation of Adjusted EBITDA to Net Income

In EUR m	6M 2022	6M 2021	Change
Adjusted EBITDA Plastics & Devices	92.7	86.7	6.0
Adjusted EBITDA Primary Packaging Glass	73.3	64.5	8.8
Adjusted EBITDA Advanced Technologies	-3.3	-6.1	2.8
Adjusted EBITDA Corporate functions/ consolidation	-11.1	-9.0	-2.1
Adjusted EBITDA	151.6	136.1	15.5
Depreciation/amortization and impairment losses	-58.0	-48.0	-10.0
Amortization and impairment losses of fair value adjustments	-19.3	-17.9	-1.4
Exceptional income and expenses	-5.5	-8.7	3.2
Operating income	68.8	61.5	7.3
Financial result	-13.9	-8.6	-5.3
Income taxes	-16.5	-14.3	-2.2
Net income	38.4	38.6	-0.2
Amortization and impairment losses of fair value adjustments	19.3	17.9	1.4
Exceptional income and expenses	5.5	8.7	-3.2
Exceptional expenses on financial result	2.5	-	2.5
Tax effects	-1.4	-5.8	4.4
Adjusted net income	64.3	59.4	4.9
Non-controlling interests	2.5	1.3	1.2
Adjusted net income attributable to shareholders of Gerresheimer AG	61.8	58.1	3.7
Adjusted earnings per share attributable to shareholders of Gerresheimer AG in euros	1.97	1.85	0.12

Amortization and impairment losses for fair value adjustments related to the subsequent measurement of the intangible assets identified in connection with the acquisitions made in the period 2007 to 2018. In the first half of the financial year 2022, fair value adjustments were exclusively subject to amortization charges. The adjusted effects on the financial result and on taxes are largely the result of a tax audit for the period 2013 to 2016 in the U.S.

Earnings per share were calculated on the basis of an unchanged 31.4m shares to November 30, 2021.

Net Assets Position

Analysis of the Consolidated Balance Sheet

In EUR m	May 31, 2022	Nov. 30, 2021	Change
Assets			
Intangible assets	1,314.0	1,288.8	25.2
Property, plant and equipment as well as investment property	975.4	905.3	70.1
Investment accounted for using the equity method	0.1	0.1	-
Other assets	112.0	19.8	92.2
Deferred tax assets	5.6	6.3	-0.7
Non-current assets	2,407.1	2,220.3	186.8
Inventories	305.6	238.3	67.3
Trade receivables and contract assets	270.5	231.9	38.6
Other assets	91.0	72.9	18.1
Cash and cash equivalents	111.1	114.1	-3.0
Current assets	778.2	657.2	121.0
Total assets	3,185.3	2,877.5	307.8
Equity and liabilities			
Equity	1,169.6	1,002.2	167.4
Provisions	140.3	145.3	-5.1
Financial debt	708.2	695.3	12.9
Other liabilities	19.3	20.2	-0.8
Deferred tax liabilities	152.4	128.7	23.7
Non-current liabilities	1,020.2	989.5	30.7
Provisions	42.3	45.6	-3.3
Financial debt	553.6	443.9	109.7
Trade payables and contract liabilities	291.5	295.2	-3.7
Other liabilities	108.1	101.1	7.0
Current liabilities	995.5	885.8	109.7
Totally equity and liabilities	3,185.3	2,877.5	307.8

Total assets rose by EUR 307.8m compared to November 30, 2021, to stand at EUR 3,185.3m. The change mainly reflects increases in property, plant and equipment, net working capital and financial debt. Furthermore, derivative financial instruments included in other assets increased as a result of the measurement of commodity derivatives designated as hedging instruments within the scope of hedge accounting and not recognized through profit or loss. The change in the Gerresheimer Group's equity is due to various effects, some of which offset each other. Net income for the first six months of the financial year led to a rise in equity of EUR 38.4m. The effects of cash flow hedges and currency translation, which are accounted for in equity, also increased equity. The equity ratio, or equity as a percentage of total assets, stood at 36.7% (November 30, 2021: 34.8%).

Financial Position

Capital Structure

The capital structure of the Gerresheimer Group was as follows as of May 31, 2022:

	May 31, 2022	Nov. 30, 2021
in % of total assets		
Non-current assets	75.6	77.2
Current assets	24.4	22.8
Equity	36.7	34.8
Financial debt	39.6	39.6
Other non-current liabilities	9.8	10.2
Other current liabilities	13.9	15.4

Financial Debt and Credit Facilities

Net financial debt changed as follows as of the balance sheet date:

In EUR m	May 31, 2022	Nov. 30, 2021	Change
Promissory loans – November 2015 (nominal)	235.5	235.5	–
Promissory loans – September 2017 (nominal)	250.0	250.0	–
Promissory loans – November 2020 (nominal)	325.0	325.0	–
Promissory loans – November 2021 (nominal)	150.0	150.0	–
Revolving credit facility	172.3	70.0	102.3
Local credit facilities and used overdraft facilities	63.4	39.5	23.9
Liabilities from lease, factoring and installment purchases	65.6	69.2	-3.6
Financial debt	1,261.8	1,139.2	122.6
Cash and cash equivalents	111.1	114.1	-3.0
Net financial debt	1,150.7	1,025.1	125.6

The change in net financial debt resulted mainly from the higher use of the revolving credit facility. The funds borrowed were primarily intended to finance our capital expenditure and net working capital.

Adjusted EBITDA leverage, which is the relation of net financial debt to adjusted EBITDA of the last twelve months, stood at 3.4x as of the reporting date (November 30, 2021: 3.2x).

Capital Expenditure

Capital expenditure on intangible assets and property, plant and equipment accounted for on a cash basis in the first six months of the financial year breaks down by division and corporate function as follows:

In EUR m	6M 2022	6M 2021	Change
Plastics & Devices	51.3	29.6	21.7
Primary Packaging Glass	52.4	50.1	2.3
Advanced Technologies	10.9	3.6	7.3
Corporate functions	0.3	0.2	0.1
Cash-effective capital expenditure	114.9	83.5	31.4

Capital expenditure in the Plastics & Devices Division focused on the expansion of our syringe capacities in North America and Europe, the extension of the product portfolio for plastic packaging in North America and the increase in production capacities for pharmaceutical and medical products by means of contract manufacturing at our sites in Pfreimd (Germany) and Horsovsky Tyn (Czech Republic).

Capital expenditure in the Primary Packaging Glass Division mainly related to the expansion of production capacities for injection vials, particularly at our plants in North America and Europe. Investments were also made in preparation for the repair of the furnace at the site in Tettau (Germany).

Gerresheimer has significantly ramped up its glass and plastics production capacities at its Kosamba (India) site in order to meet the growing demand of its global pharmaceutical clients. The new plant will be used to manufacture high-quality plastic dosages and closures. The glass production has received state-of-the-art, sustainable furnace technology.

The increase in capital expenditure in the Advanced Technologies Division relates to the investment in development projects mentioned in the financial year 2021 and in the expansion of the portfolio of medical devices. This capital expenditure was accounted for on a cash basis in the first half of this year.

Free Cash Flow

In EUR m	6M 2022	6M 2021	Change
Cash flow from operating activities	3.4	-9.6	13.0
Net capital expenditure (before M&A activities)	-114.8	-74.7	-40.1
Free cash flow before M&A activities	-111.4	-84.3	-27.1

The positive change in cash flow from operating activities is mainly attributable to the higher adjusted EBITDA compared to the prior year. The impact of the increase in adjusted EBITDA was partially offset by a higher level of funds tied up in net working capital.

Net capital expenditure includes payments received from the disposal of non-current assets, alongside the cash payments described under "Capital expenditure."

Report on Opportunities and Risks

Material opportunities and risks are set out in the "Report on Opportunities and Risks" in the Gerresheimer Group's Annual Report for the financial year 2021. The detailed statements on opportunities and risks made in the Annual Report are still valid. Despite much greater political, geopolitical and economic uncertainties in the overall environment, the focus of Gerresheimer's business operations is very much on its transformation into a growth company that is an innovation leader and solution provider for the international pharma, biotech, healthcare and cosmetics industries. The company is systematically pursuing all its short- and medium-term growth targets.

The effects of the Covid-19 pandemic continue to weigh on the global economy. The war in Ukraine is creating additional uncertainty and leading to far-reaching political, geopolitical and economic repercussions due to government regulation, sanctions, countermeasures and soaring inflation. While Gerresheimer's exposure to Russia, Belarus and Ukraine itself is negligible, the measures may nevertheless have a direct or indirect impact on revenues and earnings, production processes as well as purchasing and logistics processes, for example as a result of further hikes in inflation, supply chain and energy supply disruptions, commodity bottlenecks or continued increases in energy and commodity prices.

Gerresheimer continuously monitors the political, geopolitical and economic environment in its key markets in order to anticipate potential risks or changes in risks and, where necessary, to adapt its business activities and processes to shifts in the underlying conditions. However, the full extent of the global impact and repercussions cannot be fully assessed at the present time.

No risks have currently been identified that, either individually or in combination with other risks, could endanger the continued existence of the Gerresheimer Group.

Forecast 2022

Taking into account the developments in the current financial year, we are confirming the following forecast for the financial year 2022 that we specified in Q1 2022:

Key performance indicator	Basis currency-adjusted	Forecast 2022 currency-adjusted ¹⁾
Revenues	EUR 1,495.6m	Growth of at least 10%
Adjusted EBITDA	EUR 307.1m	Growth in the high single-digit percentage range
Adjusted earnings per share in euros	EUR 4.18	Growth in the high single-digit percentage range

¹⁾ Updated forecast 2022 in the first quarter 2022.

Interim Consolidated Financial Statements of Gerresheimer AG

Consolidated Income Statement

for the period from December 1, 2021, to May 31, 2022

In EUR k	Notes	Q2 2022	Q2 2021	6M 2022	6M 2021
Revenues	(4)	444,619	376,997	815,416	679,842
Cost of sales		-307,280	-258,194	-577,311	-479,552
Gross profit on sales		137,339	118,803	238,105	200,290
Selling and general administrative expenses		-86,980	-70,921	-164,317	-135,159
Research and development expenses		-5,631	-2,417	-10,098	-5,223
Other operating income	(5)	6,657	4,511	12,899	14,252
Other operating expenses	(6)	-4,095	-7,600	-7,789	-12,623
Operating income		47,290	42,376	68,800	61,537
Interest income		431	297	821	612
Interest expenses		-8,209	-4,901	-13,444	-9,773
Other financial result		-692	642	-1,271	512
Financial result		-8,470	-3,962	-13,894	-8,649
Income before income taxes		38,820	38,414	54,906	52,888
Income taxes	(7)	-12,099	-9,541	-16,483	-14,306
Net income		26,721	28,873	38,423	38,582
Shareholders of Gerresheimer AG		25,159	28,130	35,892	37,330
Non-controlling interests		1,562	743	2,531	1,252
Basic and diluted earnings per share in euros		0.80	0.90	1.14	1.19

Consolidated Statement of Comprehensive Income

for the period from December 1, 2021, to May 31, 2022

In EUR k	Notes	Q2 2022	Q2 2021	6M 2022	6M 2021
Net income		26,721	28,873	38,423	38,582
Revaluation of equity instruments		-	-	7	-
Other comprehensive income that will not be reclassified subsequently to profit or loss		-	-	7	-
Cash flow hedges – change in fair value	(9)	61,168	-	98,692	-
Currency translation		46,550	2,769	69,101	-9,326
Income taxes		-13,665	-	-23,963	-
Other comprehensive income that will be reclassified to profit or loss when specific conditions are met		94,053	2,769	143,830	-9,326
Other comprehensive income		94,053	2,769	143,837	-9,326
Total comprehensive income		120,774	31,642	182,260	29,256
Shareholders of Gerresheimer AG		119,453	30,759	179,452	27,799
Non-controlling interests		1,321	883	2,808	1,457

Consolidated Balance Sheet

as of May 31, 2022

In EUR k	Notes	May 31, 2022	Nov. 30, 2021
Assets			
Intangible assets		1,314,005	1,288,757
Property, plant and equipment		975,401	904,324
Investment property		974	974
Investment accounted for using the equity method		54	54
Income tax receivables		745	717
Other financial assets		108,364	18,071
Other non-financial assets		1,922	1,042
Deferred tax assets		5,589	6,348
Non-current assets		2,407,054	2,220,287
Inventories	(8)	305,582	238,270
Trade receivables		245,410	212,385
Contract assets		25,048	19,480
Income tax receivables		6,079	2,339
Other financial assets		16,632	19,766
Other non-financial assets		68,005	50,507
Cash and cash equivalents		111,068	114,051
Non-current assets held for sale and discontinued operations		383	383
Current assets		778,207	657,181
Total assets		3,185,261	2,877,468
Equity and liabilities			
Subscribed capital		31,400	31,400
Capital reserve		513,827	513,827
Accumulated other comprehensive income		38,552	-90,104
Retained earnings		562,090	526,198
Shareholders of Gerresheimer AG		1,145,869	981,321
Non-controlling interests		23,692	20,884
Equity		1,169,561	1,002,205
Provisions for pensions and similar obligations		132,781	134,928
Other provisions		7,473	10,389
Financial debt		708,225	695,288
Trade payables		-	506
Contract liabilities		1,688	1,615
Other financial liabilities		1,175	80
Other non-financial liabilities		16,445	17,956
Deferred tax liabilities		152,434	128,720
Non-current liabilities		1,020,221	989,482
Provisions for pensions and similar obligations		12,939	12,462
Other provisions		29,329	33,165
Financial debt		553,614	443,909
Trade payables		276,285	284,253
Contract liabilities		15,235	10,982
Income tax liabilities		17,390	12,170
Other financial liabilities		7,783	2,172
Other non-financial liabilities		82,904	86,668
Current liabilities		995,479	885,781
Total equity and liabilities		3,185,261	2,877,468

Consolidated Statement of Changes in Equity

for the period from December 1, 2021, to May 31, 2022

In EUR k	Accumulated other comprehensive income						Retained earnings	Equity attributable to shareholders of Gerresheimer AG	Non-controlling interests	Equity
	Subscribed capital	Capital reserve	Equity instruments	Cash flow hedge reserve	Currency translation reserve					
As of December 1, 2020	31,400	513,827	4,181	-	-139,331	473,756	883,833	15,831	899,664	
Net income	-	-	-	-	-	37,330	37,330	1,252	38,582	
Other comprehensive income	-	-	-	-	-9,531	-	-9,531	205	-9,326	
Total comprehensive income	-	-	-	-	-9,531	37,330	27,799	1,457	29,256	
As of May 31, 2021	31,400	513,827	4,181	-	-148,862	511,086	911,632	17,288	928,920	
As of December 1, 2021	31,400	513,827	4,941	5,255	-100,300	526,198	981,321	20,884	1,002,205	
Net income	-	-	-	-	-	35,892	35,892	2,531	38,423	
Other comprehensive income	-	-	7	74,729	68,824	-	143,560	277	143,837	
Total comprehensive income	-	-	7	74,729	68,824	35,892	179,452	2,808	182,260	
Cash flow hedges – reclassified to inventories	-	-	-	-14,904	-	-	-14,904	-	-14,904	
As of May 31, 2022	31,400	513,827	4,948	65,080	-31,476	562,090	1,145,869	23,692	1,169,561	

Consolidated Statement of Cash Flows

for the period from December 1, 2021, to May 31, 2022

In EUR k	6M 2022	6M 2021
Net income	38,423	38,582
Income taxes	16,483	14,306
Financial result	13,894	8,649
Amortization/depreciation/impairment losses	80,350	68,236
Change in provisions	-12,120	-10,512
Result of disposals of non-current assets/liabilities	178	-3,942
Interests paid	-4,624	-4,280
Interests received	434	313
Income taxes paid	-20,359	-27,329
Income taxes received	897	1,623
Change in inventories	-61,586	-47,200
Change in trade receivables as well as contract assets	-29,725	9,458
Change in trade payables as well as contract liabilities	-114	-40,408
Change in net working capital	-91,425	-78,149
Other non-cash-effective items	-18,731	-17,097
Cash flow from operating activities	3,400	-9,601
Cash received from disposals of non-current assets	88	8,745
Cash paid for capital expenditure in intangible assets and property, plant and equipment	-114,911	-83,486
Cash paid for capital expenditure in fully consolidated companies as well as other equity investments	-7,945	-855
Cash flow from investing activities	-122,768	-75,596
Raising of loans	179,437	118,352
Repayment of loans	-71,949	-41,615
Cash paid for leases and installment purchase liabilities	-9,185	-6,045
Other issues from financing activities	-2,764	720
Cash flow from financing activities	95,539	71,412
Changes in financial resources	-23,829	-13,785
Effect of exchange rate changes on financial resources	4,593	-211
Financial resources at the beginning of the period	83,588	58,394
Financial resources at the end of the period	64,352	44,398
Components of the financial resources		
Cash and cash equivalents	111,068	79,131
Overdraft facilities	-46,716	-34,733
Financial resources at the end of the period	64,352	44,398

Notes to the Consolidated Financial Statements

of Gerresheimer AG for the financial year from December 1, 2021, to May 31, 2022

Notes on Consolidation and Accounting

(1) Basis of Presentation

The Gerresheimer Group is a leading international provider of high-quality primary packaging and of drug delivery devices and solutions for the global pharma, biotech, healthcare, and cosmetics industry.

Gerresheimer AG is a stock corporation (Aktiengesellschaft) under German law. The Company has its registered office at Klaus-Bungert-Strasse 4, 40468 Duesseldorf (Germany). It is entered in the commercial register of Duesseldorf Local Court (Amtsgericht) as HRB 56040.

Gerresheimer AG shares are traded on the regulated market in the Prime Standard segment of the Frankfurt Stock Exchange under the ticker symbol GXI and ISIN DE000AOLD6E6.

These condensed Interim Consolidated Financial Statements were prepared in accordance with the applicable provisions of the International Financial Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union, as well as the regulations under commercial law as set forth in § 315e (1) of the German Commercial Code (Handelsgesetzbuch, HGB) and in accordance with IAS 34 "Interim Financial Reporting." Accordingly these Interim Consolidated Financial Statements do not contain all information and notes that are required by the IFRS for Consolidated Financial Statements as of the end of the financial year and should be read in conjunction with the Consolidated Financial Statements as of November 30, 2021. The present financial statements have not been reviewed by our auditors.

For the sake of clarity and the information value of the Consolidated Financial Statements, certain items are combined in the consolidated balance sheet and the consolidated income statement and presented separately in the Notes to the Consolidated Financial Statements. The consolidated income statement has been prepared using the function of expense method.

The Consolidated Financial Statements are presented in euros, the functional currency of the parent company. Both the individual and subtotal values reflect the value with the smallest rounding difference. Consequently, minor differences to subtotal values can occur when adding up reported individual values.

(2) New Accounting Standards and Changes in Accounting Principles

The accounting principles are consistent with the prior year, except for the following revised standards and interpretations, which were adopted for the first time.

- > Amendments to IFRS 4: Insurance Contracts – deferral of IFRS 9
- > Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2
- > Amendments to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

The first-time adoption of the interpretations and amendments did not have a significant effect on the Interim Consolidated Financial Statements.

Since the beginning of the financial year, the reversal of other provisions and the change in liabilities have been recorded in the item of the income statement in which the expense was originally recorded.

(3) Seasonal Influence on Business Activity

The business is subject to seasonal effects, meaning that revenues and cash flow are usually lowest during the holiday period in December and January and during the summer months in Europe and North America.

Notes to the Consolidated Income Statement

(4) Revenues

Revenues mainly result from the sale of goods. Revenues of EUR 18,325k were recorded from customer-specific contracts in the first half of the financial year (H1 2021: EUR 17,168k).

An analysis of revenues by division and region is provided in Note (11) as part of the segment reporting.

(5) Other Operating Income

In EUR k	6M 2022	6M 2021
Income from refund claims against third parties	3,190	4,228
Income from reversal of provisions	2,312	213
Income from government grants	1,414	52
Exceptional income	1,291	1,330
Income from disposal of intangible assets and property, plant and equipment	187	4,060
Income from currency gains	808	593
Other miscellaneous income	3,697	3,776
Other operating income	12,899	14,252

The income from government grants also results in part from the grants for capacity expansions that were granted in the financial year 2021. Other miscellaneous income includes, among others, effects from the valuation of receivables and liabilities.

(6) Other Operating Expenses

In EUR k	6M 2022	6M 2021
Exceptional expenses	-6,757	-10,057
Supervisory Board remuneration and expense reimbursement	-701	-718
Other miscellaneous expenses	-331	-1,848
Other operating expenses	-7,789	-12,623

The exceptional expenses are related with EUR 3,047k to costs in connection with the construction of our new plant in Skopje (Republic of North Macedonia). In addition, exceptional expenses of EUR 1,503k were incurred for strategic and structural personnel adjustment due to automation and digitalization, as well as measures to improve efficiency in the Primary Packaging Glass Division.

(7) Income Taxes

The tax rate in the first half of the financial year 2022 stood at 30.0% (H1: 2021: 27.0%).

(8) Inventories

Write-downs of inventories totaling EUR 8,635k were recognized as an expense in the first six months of the financial year (H1 2021: EUR 5,443k). The write-down is reversed when the circumstances that led to it no longer exist. Reversals of write-downs amounted to EUR 492k in the reporting period (H1 2021: EUR 843k).

(9) Reporting on Financial Instruments

The Gerresheimer Group has many financial instruments that are not recognized at fair value in the balance sheet. Due to the predominantly short terms, the fair values of the trade receivables and trade payables, the other financial assets and liabilities and the cash and cash equivalents are not fundamentally different than the carrying amounts. The same applies to the promissory loans and the revolving credit facility on account of the largely variable interest rates.

The financial assets and liabilities recognized at fair value can be assigned to the following hierarchy level:

In EUR k	May 31, 2022 Level 2	Nov. 30, 2021 Level 2
Equity investments at fair value through other comprehensive income	13,045	5,100
Equity investments at fair value through profit and loss	1,195	2,402
Derivative financial assets at fair value in cash flow hedge accounting	91,142	7,354
Derivative financial assets at fair value through profit and loss	352	37
Financial assets at fair value	105,734	14,893
Derivative financial liabilities at fair value through profit and loss	112	338
Financial liabilities at fair value	112	338

Financial assets or liabilities measured at fair value that would be assigned to hierarchy levels 1 or 3 did not exist either as of November 30, 2021, or as of May 31, 2022.

The carrying amounts of the commodity derivatives in cash flow hedges, the designated part of the hedging instruments, and the changes in the market values of the underlyings are presented in the following table:

In EUR k	Commodity derivatives in cash flow hedges	
	May 31, 2022	Nov. 30, 2021
Derivative asset	91,142	7,354
Designated part of hedging instruments	100%	100%
Fair value change of hedged item	-91,142	-7,354

The development of the other comprehensive income from the commodity derivatives in cash flow hedges was as follows:

In EUR k	Procurement price risk
As of December 1, 2021	6,659
Change in unrealized gains/losses	98,692
Tax effects	-23,963
As of May 31, 2022	81,388

(10) Other Financial Obligations

As of May 31, 2022, the obligations to buy intangible assets as well as property, plant and equipment stood at EUR 72,246k (November 30, 2021: EUR 69,744k).

Other Disclosures

(11) Segment Information

The Gerresheimer Group is divided into the three reportable divisions **Plastics & Devices**, **Primary Packaging Glass** and **Advanced Technologies**.

Our product portfolio in the **Plastics & Devices Division** consists of complex, customer-specific products for simple and safe drug delivery, along with system packaging for liquid and solid medicines plus services.

In the **Primary Packaging Glass Division**, we produce primary glass packaging for the pharma and cosmetics industries, as well as special small-volume glass containers for the food and beverage industry.

The **Advanced Technologies Division** is our innovation center and hub for smart devices. The division develops smart drug delivery systems for pharma and biotech companies. Its portfolio currently comprises patented micro pumps, which are used to self-administer medication for Parkinson's disease or heart failure, for example. In addition, a platform for smart inhalation measurement is currently under development.

The effects of intra-group services of Gerresheimer AG, consolidation measures, and inter-segment reconciliations are presented in the segment reporting in the column "Corporate functions/consolidation." The measurement principles for segment reporting are based on the IFRSs applied in the Consolidated Financial Statements.

Segmental performance is assessed and calculated according to the following criteria:

- > Intercompany revenues are measured using market conditions on an arm's length basis. There were no revenues with key accounts amounting to more than 10% of Gerresheimer Group revenues, neither in the financial year 2022 nor in the prior year.
- > Adjusted EBITDA represents a key financial performance indicator for the Gerresheimer Group but is not defined in International Financial Reporting Standards. Adjusted EBITDA consists of income before income taxes, financial result, amortization and impairment losses of fair value adjustments less capitalized cost components, depreciation and amortization, impairment losses (including impairment losses on goodwill), restructuring expenses, and exceptional income and expenses.
- > Net working capital is defined as inventories plus trade receivables, contract assets, and advance payments made, less contract liabilities and trade payables.
- > Cash-effective capital expenditure comprises all payments for additions to intangible assets and property, plant and equipment.
- > Non-current assets do not include financial instruments, deferred taxes, post-employment benefits, or rights arising from insurance contracts.

In the following, the key indicators used by Gerresheimer AG for assessing the performance of the segments, as well as additional indicators by region, are shown:

Segment Data by Division

In EUR k	Plastics & Devices		Primary Packaging Glass		Advanced Technologies		Corporate functions/consolidation		Group	
	6M 2022	6M 2021	6M 2022	6M 2021	6M 2022	6M 2021	6M 2022	6M 2021	6M 2022	6M 2021
Segment revenues	413,978	357,122	399,913	320,098	5,230	3,664	–	–	819,121	680,884
<i>thereof intercompany revenues</i>	1,994	1,042	-1,664	–	-47	–	-1,994	-1,042	-1,711	–
Revenues with third parties	411,984	356,080	398,249	320,098	5,183	3,664	–	–	815,416	679,842
Adjusted EBITDA	92,662	86,742	73,348	64,499	-3,328	-6,106	-11,082	-9,046	151,600	136,089
Adjusted EBITDA margin in %	22.4	24.3	18.3	20.1	–	–	–	–	18.6	20.0
Net working capital (reporting date)	162,488	148,647	120,615	128,040	363	3,200	-634	-1,672	282,832	278,215
Cash-effective capital expenditure	51,328	29,591	52,420	50,146	10,889	3,628	274	121	114,911	83,486
Employees (average)	4,707	4,449	5,648	5,232	113	100	147	137	10,615	9,918

Key Indicators by Region

In EUR k	Germany		Other Europe		North America		Emerging markets ¹⁾		Other regions		Group	
	6M 2022	6M 2021	6M 2022	6M 2021	6M 2022	6M 2021	6M 2022	6M 2021	6M 2022	6M 2021	6M 2022	6M 2021
Revenues by location of the customer	146,584	136,780	302,057	257,942	235,055	177,592	107,416	89,224	24,304	18,304	815,416	679,842
Revenues by location of the company	298,454	265,778	183,670	155,614	209,479	162,485	123,813	95,965	–	–	815,416	679,842
Non-current assets	837,812	783,691	533,829	497,000	703,573	617,479	217,844	150,948	43	38	2,293,101	2,049,156
Employees (average)	3,754	3,604	2,387	2,334	1,078	1,033	3,396	2,947	–	–	10,615	9,918

¹⁾ Emerging markets by definition of Gerresheimer: Brazil, China, India and Mexico.

Reconciliation from adjusted EBITDA to Net Income

Reconciliation from adjusted EBITDA to net income is shown in the following table:

In EUR k	6M 2022	6M 2021
Adjusted EBITDA	151,600	136,089
Amortization/depreciation and impairment losses	-58,063	-47,935
Adjusted EBITA	93,537	88,154
Exceptional income and expenses	-5,466	-8,727
Amortization and impairment losses of fair value adjustments	-19,271	-17,890
Operating income	68,800	61,537
Financial result	-13,894	-8,649
Income taxes	-16,483	-14,306
Net income	38,423	38,582

(12) Related-party Transactions

The transactions with related parties in the first half of the financial year had no material influence on the net assets position, financial position and results of operations of the Gerresheimer Group.

(13) Subsequent Events

On July 1, 2022, Gerresheimer signed a revolving three-year credit facility of EUR 150m. The transaction secures, along with the issuance of a promissory loan in the amount of EUR 150m in November 2021, prematurely to repay tranches from promissory loans in the amount of EUR 306m due later in 2022.

Other than that there were no further subsequent events after May 31, 2022, with a material impact on the net assets position, financial position or results of operations of the Gerresheimer Group.

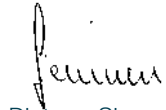
Additional Information

Responsibility Statement

To the best of our knowledge, we ensure that the Interim Consolidated Financial Statements give a true and fair view of the net assets position, financial position and results of operations of the Group in accordance with the applicable reporting principles for interim financial reporting and that the interim group management report of the Group presents the performance of the business, including the results of business activities, and the position of the Group in such a manner that they convey a true and fair view of the actual developments and describes the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Duesseldorf (Germany), July 12, 2022

The Management Board



Dietmar Siemssen



Dr. Lukas Burkhardt



Dr. Bernd Metzner

Financial Calendar

October 12, 2022	Publication 3 rd Quarter 2022
February 17, 2023	Publication Annual Report 2022
April 6, 2023	Publication 1 st Quarter 2023
July 6, 2023	Publication Half-year Financial Report 2 nd Quarter 2023

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Disclaimer

This Half-year Financial Report contains certain future-oriented statements. Future-oriented statements include all statements that do not relate to historical facts and events and contain future-oriented expressions such as “believe,” “estimate,” “assume,” “expect,” “forecast,” “intend,” “could” or “should,” or expressions of a similar kind. Such future-oriented statements are subject to risks and uncertainties, since they relate to future events and are based on the Company’s current assumptions, which may not take place or be fulfilled as expected in the future. The Company points out that such future-oriented statements provide no guarantee for the future and that actual events, including the financial position and profitability of the Gerresheimer Group and developments in the economic and regulatory fundamentals, may vary substantially (particularly on the down side) from those explicitly or implicitly assumed or described in these statements. Even if the actual results for the Gerresheimer Group, including its financial position and profitability and the economic and regulatory environment, are in accordance with such future-oriented statements in this Half-year Financial Report, no guarantee can be given that this will continue to be the case in the future.

Note regarding the rounding of figures

Due to the commercial rounding of figures and percentages, small deviations may occur.

Remarks on calculation

All changes in percent were calculated on a thousand-euro basis. Slight deviations may therefore occur when stating figures in millions of euros in the tables.

Note regarding the translation

This Half-year Financial Report is the English translation of the original German version; in case of deviations between these two, the German version prevails.