

**GERRESHEIMER**



# Q2 2015 Results Presentation

Uwe Röhrhoff, CEO  
Rainer Beaujean, CFO  
Duesseldorf, July 9, 2015

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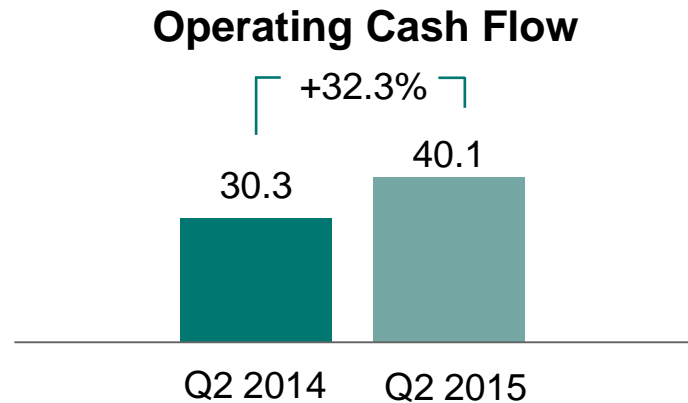
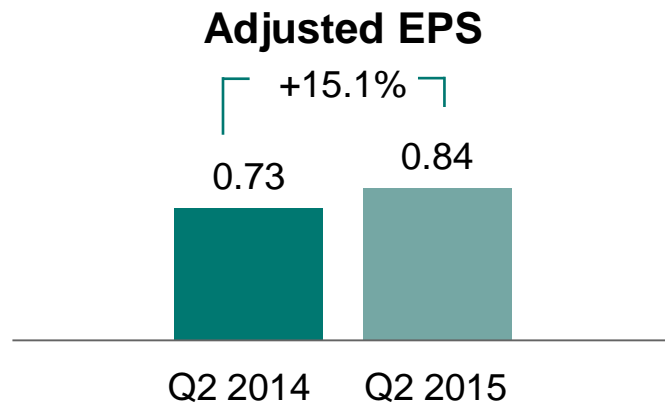
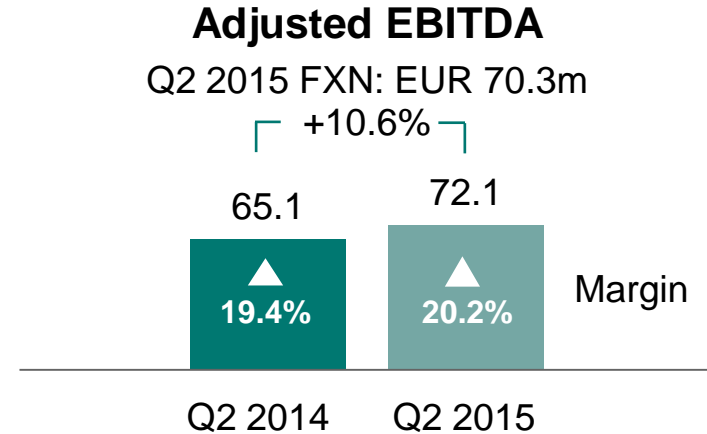
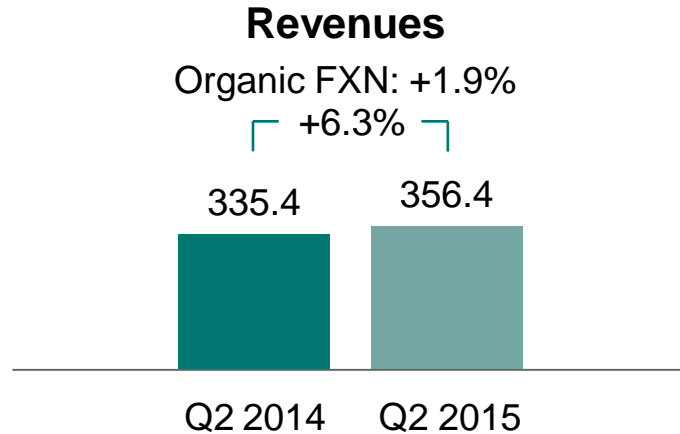
# Review Q2 2015

Uwe Röhrhoff, CEO



# Q2 2015 sees strong increase in revenues and profits

Key Group figures in EUR m, EPS in EUR



## Q2 2015 with a strong set of results in all divisions

### ■ Plastics & Devices

- ▢ Very strong revenue growth in inhalers and diabetes care, tooling revenues back to normal levels as expected
- ▢ Adjusted EBITDA increase driven by positive revenue mix effect

### ■ Primary Packaging Glass

- ▢ US demand improved, revenues are recovering
- ▢ US-based Millville glass plant to be closed in Q3 2015 as part of portfolio streamlining, consolidation of moulded glass production at Chicago Heights plant started
- ▢ Adjusted EBITDA improvement reflects capacity adjustment measures and strict cost management

### ■ Life Science Research

- ▢ Revenue expansion driven by strong tailwind from currency

### ■ After balance sheet date

- ▢ Refinancing completed
- ▢ Disposal of tubing business to Corning Incorporated announced

# Disposal of Tubing operations to Corning: deal rationale

## Closing expected by the end of 2015

- We focus on our core competence in line with our strategy:  
finished products in primary packaging glass – close to the customer
- Corning is a world leader in material sciences and high-quality glass production
- We have a 10-year supply agreement for pharmaceutical glass tubing with Corning
- Outsourcing of tubing reduces capital intensity of business and cyclicity of investments
- Key figures of Tubing operations (FY 2014):
  - ▢ Revenues: about EUR 83m
  - ▢ EBITDA margin: about 23%
- Sale proceeds will amount to EUR 196m debt-free
- A new joint-venture of Gerresheimer and Corning will accelerate innovations for the pharmaceutical glass packaging market



# Financial overview Q2 2015

Rainer Beaujean, CFO



# Strong growth in Q2 2015 driven by stronger US-dollar – organic growth fully in line with expectations

## Revenues by division

	Q2 2015 EUR m	Q2 2014 EUR m	Growth in %	Organic growth <sup>1</sup> in %
Total Group	356.4	335.4	+6.3	+1.9
Plastics & Devices	168.6	160.2	+5.3	+4.6
Primary Packaging Glass	166.8	158.0	+5.6	-0.9
Life Science Research	26.3	21.7	+20.9	+0.4

1. Organic growth: At const. FX rates, excluding acquisitions, divestments and optimization of business portfolio



# Broad-based EBITDA margin expansion in Q2 2015

## Adjusted EBITDA<sup>1</sup> by division

	Q2 2015		Q2 2014	
	EUR m	Margin in %	EUR m	Margin in %
Total Group	72.1	20.2	65.1	19.4
Plastics & Devices	36.3	21.5	33.0	20.6
Primary Packaging Glass	36.8	22.1	33.7	21.3
Life Science Research	3.8	14.5	3.0	14.0

1. Earnings before income taxes, net finance expense, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off expenses and income.

## Q2 2015: All earnings figures up quarter-over-quarter

	Q2 2015 EUR m	Q2 2014 EUR m	Growth in %
<b>Adjusted EBITDA<sup>1</sup></b>	<b>72.1</b>	<b>65.1</b>	<b>+10.6</b>
Depreciation/amortization	-25.4	-27.0	
Restructuring/one-offs	-5.8	-0.3	
Portfolio optimization	-0.9	0.0	
<b>EBIT</b>	<b>40.0</b>	<b>37.8</b>	<b>+5.6</b>
Net finance expense and taxes	-17.6	-17.0	
<b>Net income</b>	<b>22.4</b>	<b>20.8</b>	<b>+7.4</b>
<b>EPS in EUR</b>	<b>0.65</b>	<b>0.61</b>	<b>+6.0</b>
<b>Adjusted EPS in EUR</b>	<b>0.84</b>	<b>0.73</b>	<b>+15.1</b>

1. Earnings before income taxes, net finance expense, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off expenses and income.

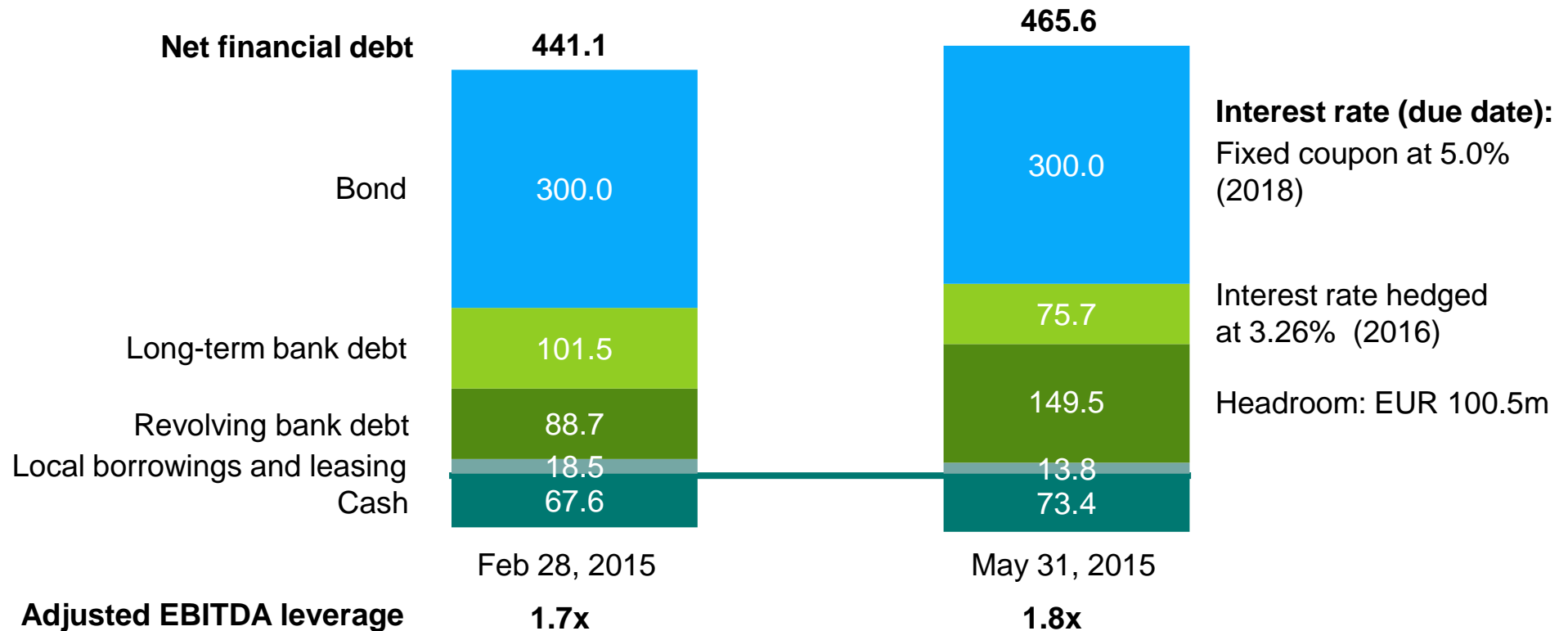
## Strong balance sheet, improved cash flow metrics

	May 31, 2015 EUR m	May 31, 2014 EUR m	Change in %
Total assets	1,700.7	1,632.6	+4.2
Equity	615.2	570.6	+7.8
<i>Equity ratio</i>	36.2%	35.0%	-
Net working capital <sup>1</sup>	277.2	239.8	+15.6
<i>average NWC in % of LTM revenues</i>	20.0%	18.5%	-
	Q2 2015	Q2 2014	Change
Capex	19.9	25.1	-5.2
Cash flow from operating activities	24.0	15.8	+8.2
Operating cash flow	40.1	30.3	+9.8
Free cash flow before financing activities	4.2	-8.8	+13.0

1. Inventories (incl. prepayments made) and trade receivables less trade payables and payments received on account of orders.

# Net financial debt development quarter-on-quarter

## Comparison of debt/cash positions in EUR m



# Refinancing of syndicated bank debt successfully completed in June 2015

- Favorable market environment
- Recent confirmation of Gerresheimer's investment grade ratings by S&P and Moody's
- New revolving credit facility of EUR 450m, matures in year 2020  
(previously: revolving + amortizing credit facility of initially EUR 400m)
- EUR 300m bond to be kept in place, matures in May 2018
- New revolving credit facility backed by international bank consortium
- Improved cost structure: savings of annual interest expenses estimated to be ~EUR 1m per year; interest rate at the moment 1.1% based on drawing of EUR 225m
- FX rate flexibility: can be drawn in euro and US-dollar
- Improved set of covenants with up to 3.5 x net debt/adj. EBITDA

# Key takeaways Q2 2015: Another quarter with strong increase in earnings and cash flows, refinancing completed

## ■ Increased profitability

- ▢ Adjusted EBITDA up 10.6%, margin at 20.2% (Q2 2014: 19.4%)
- ▢ EBIT progressed by 5.6%
- ▢ EPS increased by 6.0%
- ▢ Adjusted EPS +15.1%

## ■ Improved cash flows

- ▢ Operating cash flow markedly up, amounts to EUR 40.1m (Q1 2014: EUR 30.3m)
- ▢ Free cash flow before financing activities up by EUR 13.0m, amounts to EUR 4.2m

## ■ Refinancing successfully completed with increased capacity, reduced expenses





# Guidance FY 2015

Uwe Röhrhoff, CEO



# Full confirmation of Guidance FY 2015

## Guidance FY 2015

<p><b>Revenues</b> (organic growth)<sup>1</sup></p>	<p>+1% to +3%; equals approx. EUR 1,300m to EUR 1,330m</p>
<p><b>Adjusted EBITDA</b> (at const. FX)<sup>2</sup></p>	<p>EUR 255m to EUR 265m</p>
<p><b>Capex</b> (at const. FX)<sup>2</sup></p>	<p>9% to 10% of revenues</p>

1. Organic growth: At const. FX rates, excluding acquisitions, divestments and optimization of business portfolio
2. Average budgeted exchange rate assumption: EUR 1.00 = USD 1.30

# Updated outlook FY 2016-2018 reflects disposal of Tubing business

Outlook  
FY 2016-2018

**Updated Outlook  
FY 2016-2018**

(Assumption: Tubing deal will be closed by end of 2015)

**Revenues**  
(organic growth)<sup>1</sup>

+4% to +6% CAGR

+4% to +6% CAGR

**Adjusted EBITDA**  
(at const. FX)<sup>2</sup>

Uplift towards 21% adjusted EBITDA margin in 2018

Adjusted EBITDA margin approximately 20% by 2018

**Capex**  
(at const. FX)<sup>2</sup>

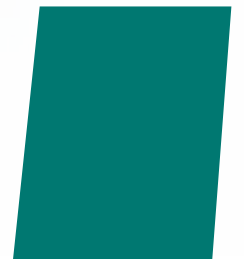
9% to 10% of revenues

8.0% to 9.5% of revenues

1. Organic growth: At const. FX rates, excluding acquisitions, divestments and optimization of business portfolio
2. Average budgeted exchange rate assumption: EUR 1.00 = USD 1.30



# Questions & Answers





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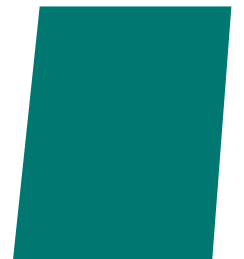


## **Our Vision**

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.

# Backup





## Development of net working capital<sup>1</sup>

	May 31, 2015 EUR m	May 31, 2014 EUR m
Inventories <i>thereof prepayments made</i>	214.3 6.4	199.5 15.9
Trade receivables	216.4	189.8
Trade payables	115.1	104.2
Payments received on account of orders	38.4	45.3
<b>Net working capital</b> <i>in % of LTM revenues</i>	<b>277.2</b> 21.1	<b>239.8</b> 18.8

1. Inventories (incl. prepayments made) and trade receivables less trade payables and payments received on account of orders.

## Development of inventories

	May 31, 2015 EUR m	May 31, 2014 EUR m
Raw materials, consumables and supplies	55.7	52.8
Work in progress	24.5	24.5
Finished goods and merchandise	127.7	106.3
Prepayments made on inventories	6.4	15.9
<b>Inventories</b>	<b>214.3</b>	<b>199.5</b>

# Q1-Q2 2015 revenue development

## Revenues by division

	Q1-Q2 2015 EUR m	Q1-Q2 2014 EUR m	Growth in %	Organic growth <sup>1</sup> in %
Total Group	658.2	632.9	+4.0	-0.1
Plastics & Devices	306.2	295.8	+3.5	+2.6
Primary Packaging Glass	313.2	304.0	+3.0	-2.8
Life Science Research	49.1	42.0	+16.8	-0.6

1. Organic growth: At const. FX rates, excluding acquisitions, divestments and optimization of business portfolio

# Q1-Q2 2015 EBITDA margin development

## Adjusted EBITDA<sup>1</sup> by division

	Q1-Q2 2015		Q1-Q2 2014	
	EUR m	Margin in %	EUR m	Margin in %
Total Group	123.0	18.7	112.7	17.8
Plastics & Devices	61.8	20.2	54.0	18.3
Primary Packaging Glass	64.7	20.7	62.4	20.5
Life Science Research	6.6	13.4	5.5	13.1

1. Earnings before income taxes, net finance expense, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off expenses and income.

## Q1-Q2 2015 earnings figures development

	Q1-Q2 2015 EUR m	Q1-Q2 2014 EUR m	Growth in %
<b>Adjusted EBITDA<sup>1</sup></b>	<b>123.0</b>	<b>112.7</b>	<b>+9.1</b>
Depreciation/amortization	-51.4	-52.9	
Restructuring/one-offs	-6.2	-0.3	
Portfolio optimization	-0.9	0.0	
<b>EBIT</b>	<b>64.5</b>	<b>59.5</b>	<b>+8.3</b>
Net finance expense and taxes	-29.5	-28.4	
<b>Net income</b>	<b>35.0</b>	<b>31.1</b>	<b>+12.5</b>
<b>EPS in EUR</b>	<b>1.00</b>	<b>0.90</b>	<b>+10.8</b>
<b>Adjusted EPS in EUR</b>	<b>1.27</b>	<b>1.11</b>	<b>+14.4</b>

1. Earnings before income taxes, net finance expense, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses and one-off expenses and income.

## Financial calendar and contact details

February 11, 2015	Annual Report Financial Year 2014 <input checked="" type="checkbox"/>
April 14, 2015	Interim Report 1st Quarter 2015 <input checked="" type="checkbox"/>
April 30, 2015	Annual General Meeting 2015 <input checked="" type="checkbox"/>
July 9, 2015	Interim Report 2nd Quarter 2015 <input checked="" type="checkbox"/>
October 8, 2015	Interim Report 3rd Quarter 2015

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