

GERRESHEIMER



Q1 2018 Earnings Presentation

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April 12, 2018

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- For an overview of abbreviations and definition please see the glossary slide in the backup section

Agenda



1. Q1 2018 Highlights

2. Financial Review

3. Outlook

4. Appendix

Q1 2018 results in line with expectations; business and market trends unchanged; systematic execution on our growth levers

Strict monitoring of all business and macro drivers



Q1 2018 Financials

- Revenues and profitability developments in line with expectations
 - ▢ FXN Revenues flat YoY
 - ▢ FXN Adj. EBITDA down EUR 4.1m YoY
 - ▢ Translation currency headwinds in Revenues of EUR 13.6m and Adj. EBITDA of EUR 3.2m
- USD 52.9m one-time deferred tax benefit recorded in Q1 2018, as previously announced
- Balance sheet and Cash flow items reflect underlying operational performance

Markets & Macro

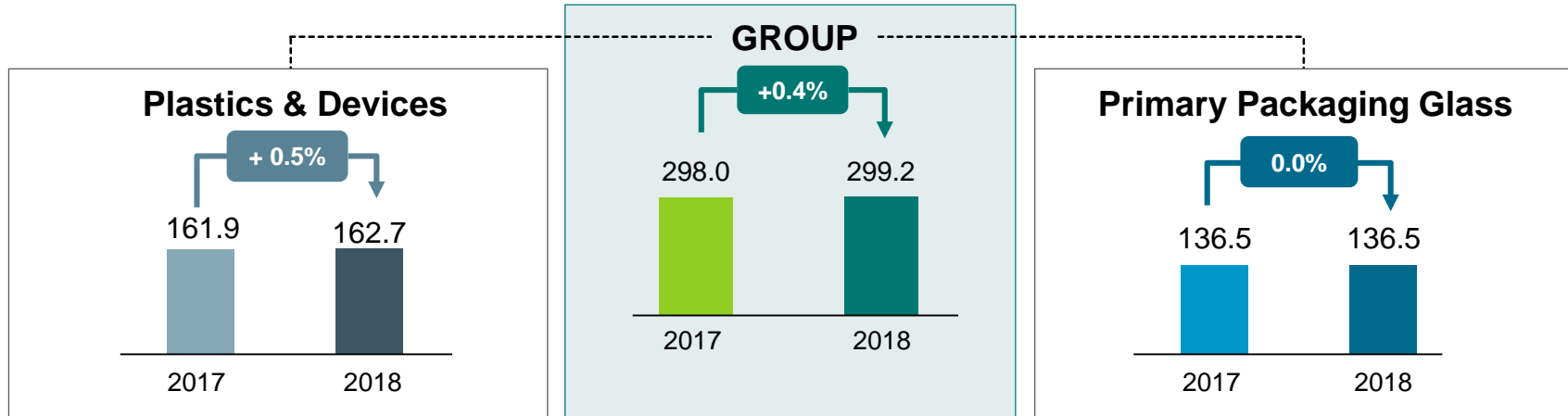
- USD / EUR translation impact remains a headwind
- Increase in resin prices temporary affects margins in Plastic Packaging
- Current assessment on Pharma and Healthcare customers and market trends unchanged
 - ▢ Continues to underpin our outlook for 2018

Operations

- Translating the strategic into „every day“: systematic review of opportunities and challenges for our growth levers
 - ▢ Customers
 - ▢ Regional expansion
 - ▢ Products and innovation
 - ▢ Value proposition
- Further investing in our structure for future growth

Expected decline in tooling revenues and unfavourable comps in US PPG business weight on top line development in Q1 2018

FXN¹ REVENUES IN Q1 18 VS Q1 17, IN EUR M



P&D: Q1 2018 performance versus outlook provided in February

- ✓ Significantly lower tooling revenues YoY **AS EXPECTED**
- ✓ Peachtree performing well, lower demand from a few device customers where we are single source suppliers **AS EXPECTED**
- ✓ Solid performance in Plastic Packaging **AS EXPECTED**

Performance achieved in Q1 2018
+ EUR 0.8m YoY

Group: Q1 2018 performance versus outlook provided in February

- ✓ Q1 2018 expected to be FXN flat YoY **AS EXPECTED**

PPG: Q1 2018 performance versus outlook provided in February

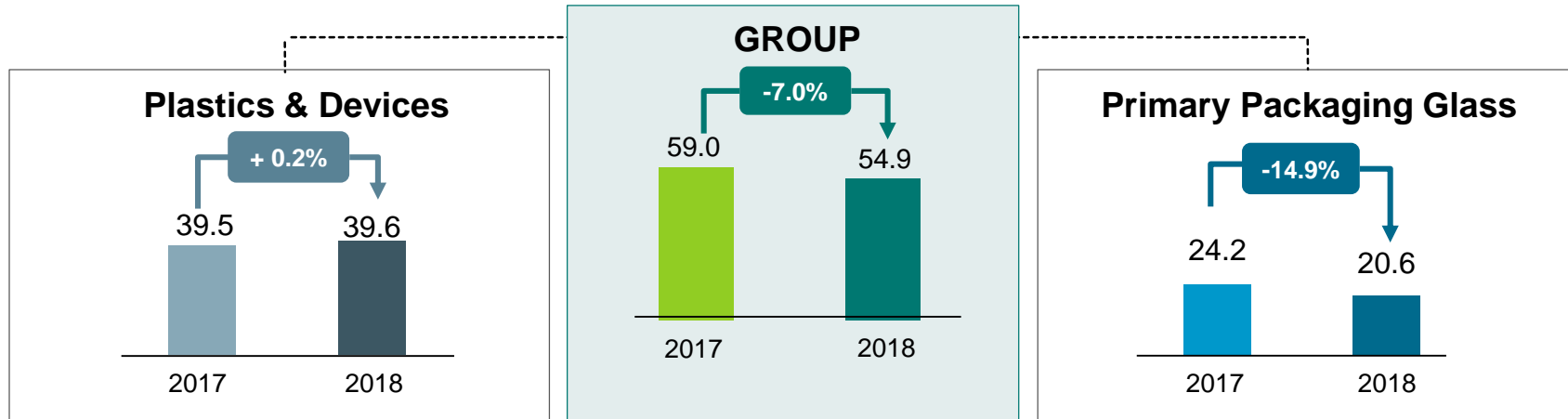
- ✓ Lower demand from our US injectable customers **AS EXPECTED**
- ✓ Strong growth in China, satisfying growth in European Cosmetics glass business **AS EXPECTED**

Performance achieved in Q1 2018
Unchanged YoY

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

Lower utilisation of installed capacity in the US PPG Business as main driver of the FXN decrease in adjusted EBITDA YoY

FXN¹ ADJUSTED EBITDA IN Q1 18 VS Q1 17, IN EUR M



P&D: Q1 2018 performance versus outlook provided in February

- ✓ Negative temporary impact due to higher resin prices **AS EXPECTED**
- ✓ Lower demand from a few device customers where we are single source suppliers impacts capacity utilisation, Peachtree margin in ramp up phase **AS EXPECTED**
- ✓ Solid contribution from Plastic Packaging in particular Centor **AS EXPECTED**

Performance achieved in Q1 2018
+ EUR 0.1m YoY

Group: Q1 2018 performance versus outlook provided in February

- ✓ Q1 2018 FXN adj. EBITDA expected to be lower YOY in absolute terms **AS EXPECTED**

PPG: Q1 2018 performance versus outlook provided in February

- ✓ Lower utilisation rate in US PPG Business **AS EXPECTED**
- ✓ Furnace repair **AS EXPECTED**

Performance achieved in Q1 2018
- EUR 3.6m YoY

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

FX-Impact of EUR 13.6m on Q1 2018 Revenues and EUR 3.2m on Adjusted EBITDA

Group Q1 2018 review

<i>EUR M</i>	Q1 2018	Q1 2017	Change in %
Revenues	290.4	302.8	-4.1
- of which FX effect	-8.8	4.8	N.A.
Adj. EBITDA	52.6	59.9	-12.1
- of which FX effect	-2.3	0.9	N.A.
- Adj. EBITDA margin %	18.1	19.8	-170bps

P&D Q1 2018 review

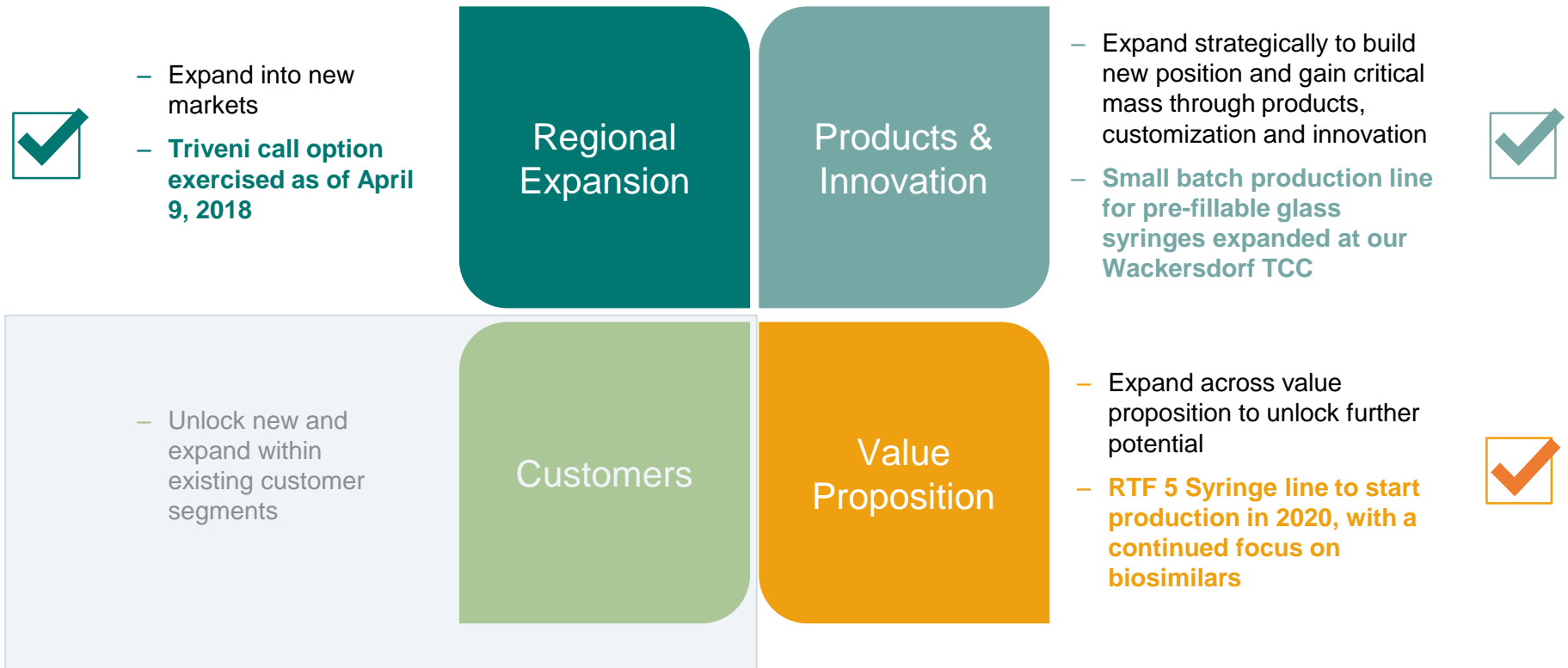
<i>EUR M</i>	Q1 2018	Q1 2017	Change in %
Revenues	157.3	164.6	-4.5
Adj. EBITDA	37.6	40.3	-6.6
- Adj. EBITDA margin %	23.9	24.5	-60bps

PPG Q1 2018 review

<i>EUR M</i>	Q1 2018	Q1 2017	Change in %
Revenues	133.1	138.6	-3.9
Adj. EBITDA	20.3	24.3	-16.3
- Adj. EBITDA margin %	15.3	17.5	-220bps

Executing on the deployment of our growth levers

Q1 2018 Update



QUALITY AND COST LEADERSHIP

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USD 52.9m one-time deferred tax benefit recorded in Q1 2018, as previously announced ...

What we said in February 2018

TOPIC

Revaluation of deferred tax assets and liabilities

STATUS QUO

- US tax reform, the Tax Cuts and Jobs Act passed on December 22, 2017
- Triggered a.o. immediate revaluation of all deferred tax assets and liabilities on US Companies.

ESTIMATED IMPLICATIONS ON MODELLING FOR FY 2018 und FY 2019

- Expecting one-off positive effect for the 2018 financial year of between USD 50m and USD 55m already to be recognized in the first quarter of 2018
- Non-cash item

Q1 2018 earnings recognition

- USD 52.9m recognized in Q1 2018 as one-time deferred tax benefit
- Non-cash item
- Included in Adjusted EPS after non-controlling interests

- Including the one-time deferred tax benefit, a total of EUR 41.3m tax income has been booked in Q1 2018
- Excluding this one-time deferred tax benefit, the total income taxes for the quarter would have amounted to EUR 2.3m
 - Implying a tax rate of 28.7% in Q1 2018 versus 32.6% in Q1 2017

... Leading to an Adjusted EPS after non-controlling interests amounting to EUR 1.85 in Q1 2018

EUR M	Q1 2018	Q1 2017	CHANGE in EUR
Adjusted EBITDA	52.6	59.9	-7.3
Depreciation	-23.2	-22.7	-0.5
Adjusted EBITA	29.4	37.2	-7.8
Total one-off items	-4.4	-0.1	-4.3
Amortization of fair value adjustments	-7.7	-8.9	+1.2
Results of operations	17.3	28.2	-10.9
Net finance expense	-9.4	-8.5	-0.9
Net income before income taxes	7.9	19.7	-11.8
Income taxes	41.3	-6.4	+47.7
Income tax rate	28.7% ¹	32.6%	-390bps
Net income	49.2	13.3	+35.9
Net income	49.2	13.3	+35.9
Total one-off items (including amortization and tax effects)	9.6	5.9	+3.7
Adjusted net income	58.8	19.2	+39.6
Adjusted net income attributable to non-controlling interests	0.7	0.5	+0.2
Adjusted net income after non-controlling interests	58.1	18.7	+39.4
Adjusted EPS after non-controlling interests in EUR	1.85	0.60	+1.25

1. Excluding the one-time deferred tax benefit from the revaluation of deferred taxes at our US companies amounting to USD 52.9m

Seasonal increase in inventories and decrease in trade payables drive working capital increase in Q1 2018

<i>EUR M</i>	FEB 28, 2018	NOV 30, 2017	FEB 28, 2017	CHANGE IN % ²
Total assets	2,388.5	2,444.1	2,373.7	- 2.3%
Equity	823.9	789.5	789.9	+4.4%
<i>Equity ratio</i>	34.5%	32.3%	33.3%	+220bps
Net working capital	224.0	185.7	222.1	+20.6%
<i>NWC in % of LTM revenues</i>	16.8%	13.8%	16.4%	+300bps
<i>Average NWC in % of LTM revenues</i>	16.7%	16.5%	16.1%	+20bps

<i>EUR M</i>	Q1 2018	Q1 2017	CHANGE IN %
Operating Cash Flow	2.3	24.7	-93.1%
<i>Operating CF¹ in % of revenues¹</i>	0.6%	8.4%	-780bps
<i>Capex¹ in % of revenues¹</i>	3.7%	5.0%	-130bps

<i>EUR M</i>	FEB 28, 2018	NOV 30, 2017	CHANGE IN %
Net financial debt	726.9	712.7	+2.0%
<i>Adjusted EBITDA leverage (x)</i>	2.4x	2.3x	-

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

2. Change Feb 28, 2018 vs Nov 30, 2017

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2018 Outlook maintained

2018 GUIDANCE	REPORTED FY 2017	EXPECTED FY 2018 RANGE
Revenues	EUR 1,348.3m	EUR 1.348bn to approx. EUR 1.4bn (FXN ¹)
Adj. EBITDA	EUR 307.2m ²	EUR 305m to EUR 315m (FXN ¹)
Capex (% FXN sales)	8.0%	~8% (FXN ^{1,3})

WIDER FINANCIAL FRAMEWORK	REPORTED FY 2017	POLICY
Adjusted EBITDA leverage (x)	2.3x	2.5x
Dividend payout as % of Adj. NI after non-controlling interests	27.1% to be proposed in the upcoming AGM	20% to 30%

USD translation impact



Revenues: approx. 1/3 of revenues USD-denominated in FY 2017

1 USD cent variation



Equivalent to approx. EUR 4m revenues variation (on FY 2017 basis)

Adj. EBITDA: approx. 40% of adjusted EBITDA USD-denominated in FY 2017

Equivalent to approx. EUR 1m Adj. EBITDA variation (on FY 2017 basis)

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 effects from fair value measurements of the Triveni Polymers Private Ltd. put option in Q4 2017
3. Excluding capital expenditure on intangible assets in relation to licensing agreements

No deviations to internal budget at this stage, awaiting Q2 to refine H2 2018 trading expectations

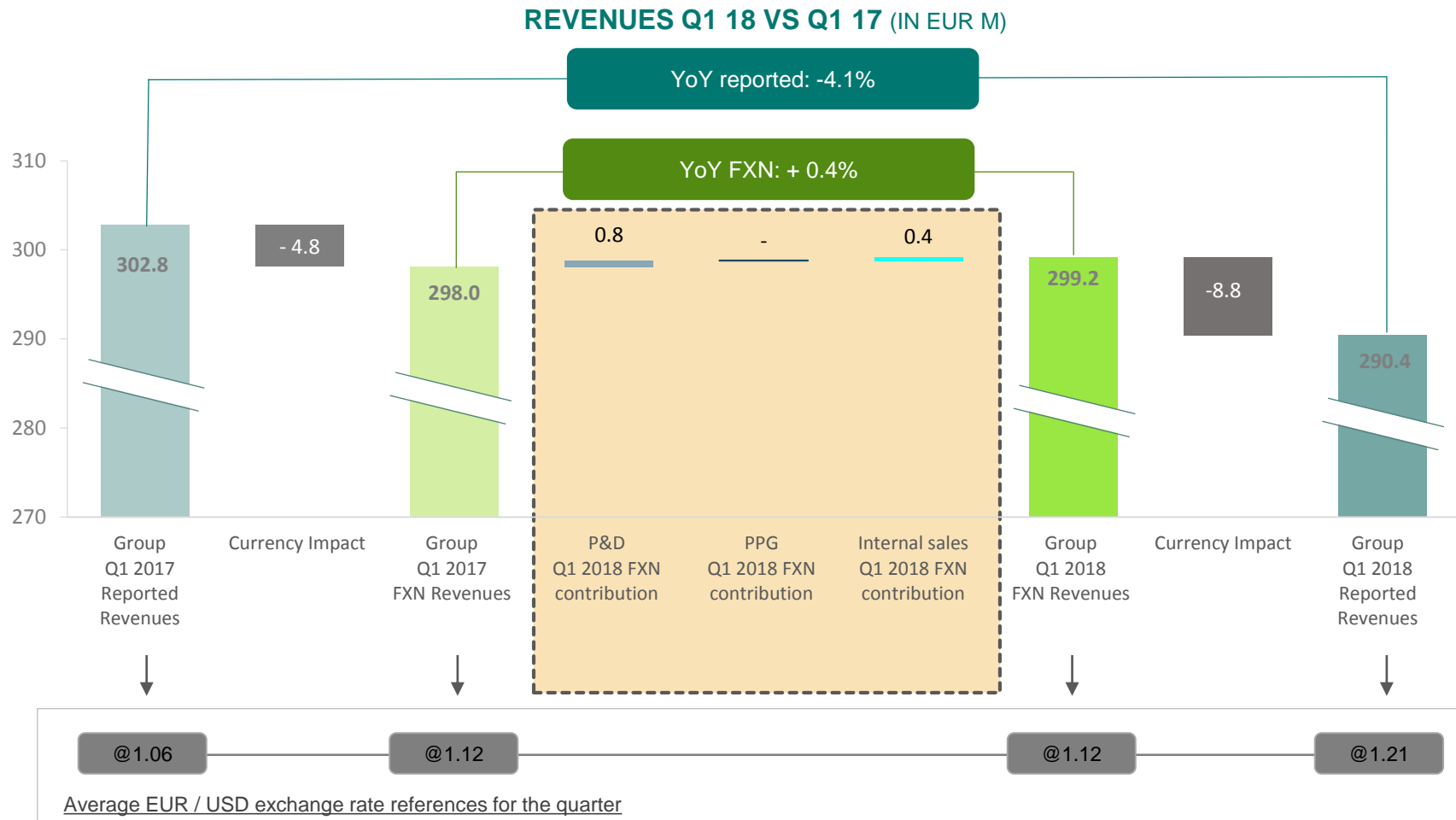
- Q1 2018 came in as planned, and we have not observed any large deviations to our internal expectations as this stage
- Phasing of growth to be still skewed towards H2 2018
- Systematically reviewing growth levers opportunity both organically and inorganically
- Management and operations remaining very committed to drive the business forward

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Expected decline in tooling revenues and unfavourable comps in US PPG business weight on top line development in Q1 2018



Technical guidance: EPS



1

TOPIC

Revaluation of deferred tax assets and liabilities

STATUS QUO

- US tax reform, the Tax Cuts and Jobs Act passed on December 22, 2017
- Triggered a.o. immediate revaluation of all deferred tax assets and liabilities on US Companies.

ESTIMATED IMPLICATIONS ON MODELLING FOR FY 2018 and FY 2019

- Positive one-off effect for the financial year 2018 of USD 52.9m recognized in the first quarter of 2018
- Non-cash item

2

Reduced corporate tax rate

- US tax reform, the Tax Cuts and Jobs Act passed on December 22, 2017
- Includes US Federal Corporate Tax rate cut from 35% down to 21% as well as elimination of certain previously available deductions from taxable income. There are also additional restrictions to the tax-deductibility of certain expenses
- Applicable from Jan 1, 2018 onwards

- Lower federal tax rate expected from FY 2018 onwards
- Had the impact of the US tax reform already applied in the financial year 2017, there would have been a positive effect on current income taxes and our net income for 2017 in a low single digit million Euro amount

3

Impact of new financing structure from H2 2018 onwards when Bond is redeemed

- New promissory loans issued to redeem EUR 300m bond maturing on May 19, 2018

- ~ EUR 5.5m estimated savings in H2 2018 on net finance expense compared to FY 2017
- Total of ~ EUR11m estimated savings in FY 2019 net finance expense compared to FY 2017



4

Negotiations have begun in the USA with regard to the **North American Free Trade Agreement (NAFTA)**.

- This could possibly result in tariffs on certain imports and exports between the USA and other North American countries
- The outcome of changes to NAFTA could have a negative impact on our Mexican subsidiary's exports to the USA and hence on our net income

- In the financial year 2017, our Mexican subsidiary's exports to the USA were approximately EUR 27m. The effects of the NAFTA negotiations are not currently quantifiable because precise information is lacking.
- We will continue to track the potential impacts

Positive effect expected on adjusted EPS after non-controlling interest

? Discussions ongoing

Development of net working capital

	FEB 28, 2018 EUR M	NOV 30, 2017 EUR M	FEB 28, 2017 EUR M
Inventories	168.0	148.4	171.1
<i>thereof prepayments made</i>	2.7	2.1	3.2
Trade receivables	221.3	242.7	215.6
Trade payables	130.6	176.3	128.0
Payments received	34.7	29.1	36.6
Net working capital	224.0	185.7	222.1
<i>Average NWC in % of LTM revenues</i>	16.7%	16.5%	16.1%

Development of inventories

	FEB 28, 2018 <i>EUR M</i>	NOV 30, 2017 <i>EUR M</i>	FEB 28, 2017 <i>EUR M</i>
Raw materials, consumables and supplies	54.2	49.9	51.4
Work in progress	16.6	15.0	19.3
Finished goods and merchandise	94.5	81.4	97.2
Prepayments made	2.7	2.1	3.2
Inventories	168.0	148.4	171.1

GXI Key Data

in EUR per share	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Dividend	0.40	–	0.50	0.60	0.65	0.70	0.75	0.85	1.05	1.10 ²
<i>Dividend yield</i>	1.5%	–	1.8%	1.9%	1.7%	1.4%	1.7%	1.2%	1.5%	1.6%
<i>Payout ratio</i>	22%	–	26%	25%	25% ¹	23%	26%	25%	25%	27%
Share price high	38.20	27.05	29.85	36.62	41.34	50.14	56.42	76.32	76.86	78.01
Share price low	23.99	13.24	22.09	28.30	31.00	37.60	42.31	41.99	57.10	61.03
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
Book value per share	15.26	15.29	16.86	17.59	17.14	17.94	19.25	22.23	24.31	25.14
P/E ratio ³	14.81	17.20	14.46	12.77	15.04 ¹	16.13	15.38	21.67	16.31	16.51
Market cap in EUR m	851	724	886	979	1,238	1,560	1,395	2,320	2,162	2,106
<i>MDAX weighting year end</i>	11.48% ⁴	1.33%	1.24%	1.40%	1.47%	1.33%	1.01%	1.42%	1.33%	1.00%
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

1. Retrospective restatement due to the early adoption of IAS 19 (amended in 2011) from December 1, 2012

2. Proposed appropriation of net earnings

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
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 25, 2018	Annual General Meeting 2018
July 12, 2018	Interim Report 2nd Quarter 2018
October 11, 2018	Interim Report 3rd Quarter 2018

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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.