

GERRESHEIMER



Q3 2018 Earnings Presentation

Rainer Beaujean, Speaker of the Management Board and CFO
October 11, 2018

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

Agenda



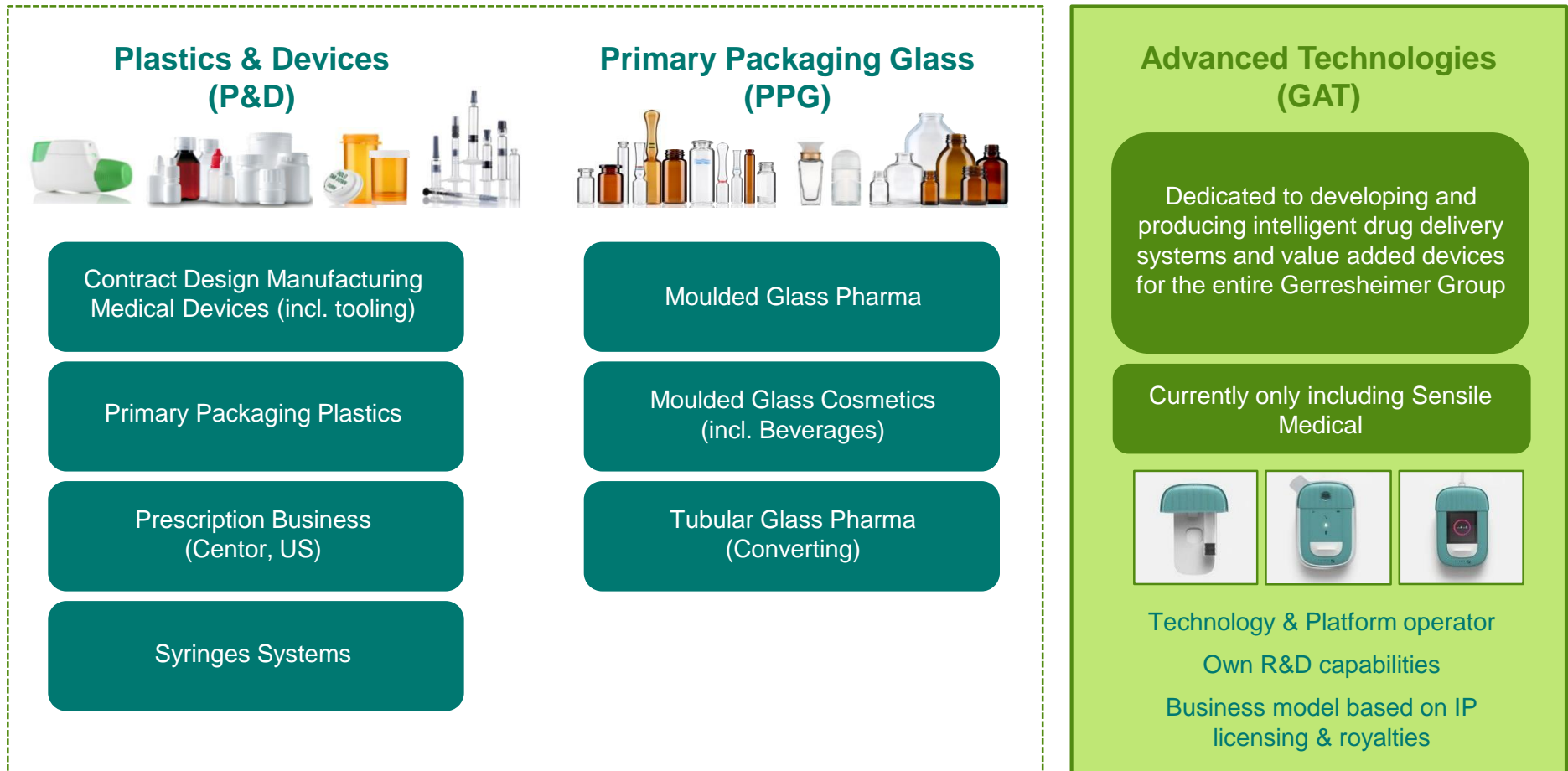
1. Q3 2018 Highlights

2. Financial Review

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Continuing to lay the groundwork for our new Advanced Technologies Division (GAT)



Strong revenues performance in Q3 2018 as expected; network charges and macro factors impact profitability

Strict monitoring of all business and macro drivers



Q3 2018 Financials

- **Strong revenues increase YoY**
 - ▢ Organic Revenues up 7.8%, cycling favourable comps
 - ▢ Reported revenues up 6.7%
- **FXN Adj. EBITDA slightly up YoY at EUR 79.5m**, excluding GAT and expenses for network charges relating to EU decision regarding exemptions received in FY12 & FY13 by German large electricity consuming enterprises
- Translation currency headwinds continue to impact both revenues and profitability
- Balance sheet and Cash flow items reflect underlying operational performance and Sensile Medical acquisition



Markets & Macro

- Weaknesses in particular of Brazilian Real, and Indian Rupee add to currency headwinds on top of EUR / USD translation effect
- Recent hikes in commodity prices (in particular gas) weight on European moulded glass operations
- Pass through clauses mechanisms in place to mitigate rise in resin prices in Plastics & Devices, albeit with a time lag
- United States-Mexico-Canada Agreement (USMCA) updates and replaces NAFTA
 - ▢ Ratification underway



Operations

- Sensile Medical integration on track; first European CE declaration of conformity granted
- Building up of additional capacity in the Czech Republic to host new inhaler project to remain a key operational focus in Q4 2018 and FY 2019
- Strong growth in Q3, driven in particular by US injectable recovery and favourable YoY comparables
- Scheduled furnace overhaul at Chicago plant postponed from Q3 and Q4, now including further upgrades

Micro Pump for Parkinson's treatment from Sensile Medical received European CE declaration of conformity

Selected examples	Lead & Feasibility	Design phase	Registration with drug authorities	Approved by drug authorities	Customer (if disclosed)	Therapeutic area	Global market size, in EUR, including value of drug ¹	Supplier partners
Small volume patch pump	→				Sanofi In cooperation with Verily, an Alphabet company	Insulin => Diabetes Type 2	Total Insulin market : 34.4bn	Zollner Gerresheimer
Large volume patch pump	→				scPharmaceuticals	Chronic heart failure (CHF) => Injectable (furosemide) Diuretics	Total Cardiovascular market: 74bn	Zollner Raumedic
Belt-worn pump	→				Specialty Pharma	Nervous system => Parkinson	Anti- Parkinson drugs: 3.4bn	Zollner Phillips Medisize
Large volume patch pump	→				Top 25 Pharma	Antiinfectives => Immunodeficiency	Immunodeficiency drugs: 6.9bn	Zollner Gerresheimer
Small volume patch pump	→				Top 25 Pharma	Immunology / Oncology => Immunostimulants	Immunostimulant drugs: 8.9bn	Tbd

1. Source: IQVIA (IMS) Health Data '13-'17; company analysis

Key operational focus in the short and mid term spans across all Divisions and regions



Immediate capacity expansion groundwork required by newly awarded growth project in Inhalation triggering Opex at first (demolition costs, project costs, etc.)



Total Opex and Capex allocation for these projects in the process of being finalised along 2019 budget and mid term strategic planning

Agenda



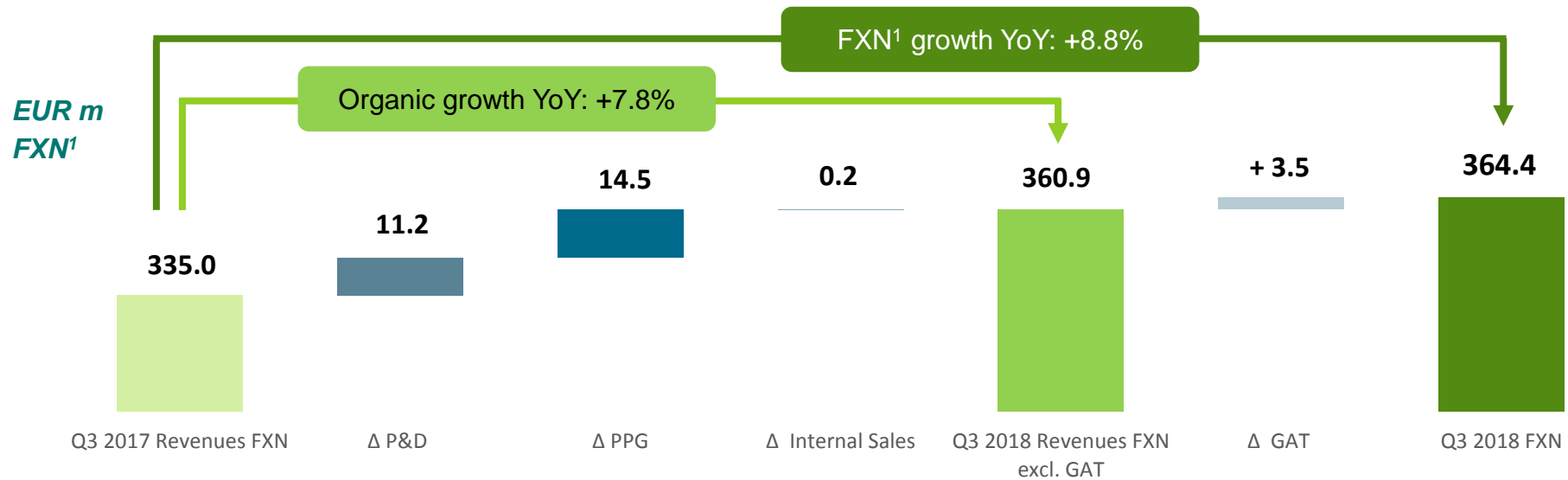
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Organic revenues growth of 7.8% in Q3 2018 or 3.5% for the first nine months of 2018



**P&D Q3 2018 performance review
+ 6.1 % (EUR 11.2m YoY)**

- Good performance overall in Plastic Packaging
- Syringes performance impacted by timing effects
- Contract Manufacturing with mixed performance
 - Peachtree continues to perform well
 - Lower European demand from a few device customers where we are single source supplier
 - Inhalation contract termination weight on YoY comparison
 - Tooling revenues higher YoY

**PPG Q3 2018 performance review
+ 9.7% (EUR 14.5m YoY)**

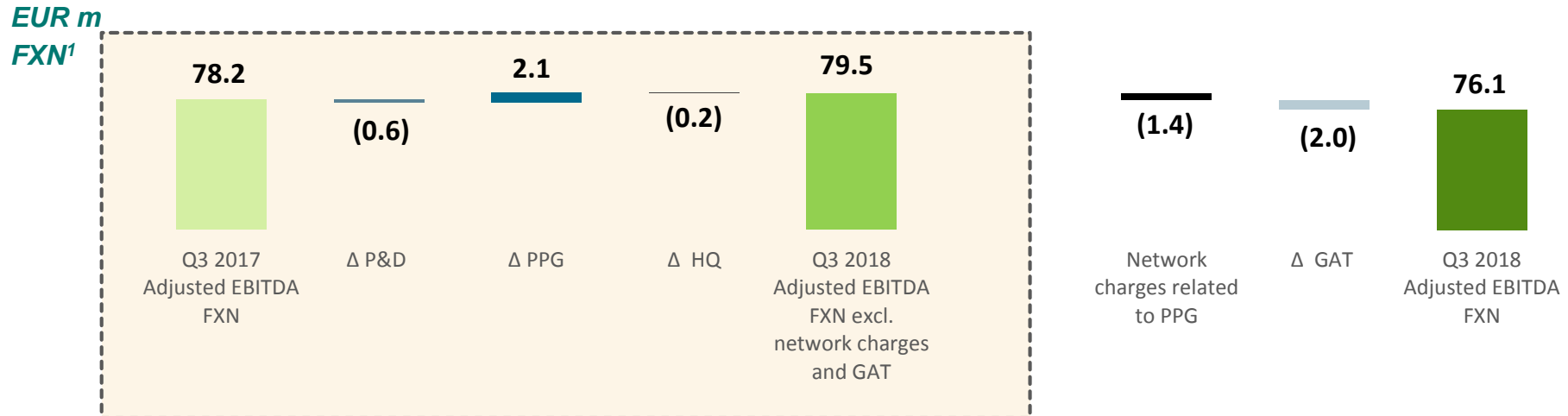
- US injectable business with strong YoY recovery
- Strong growth in Cosmetics
- European pharma glass up YoY
- China business stable

**GAT Q3 2018 performance review
EUR 3.5m YoY**

- Revenues development for Sensile Medical in line with expectations
- Development revenues only

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

FXN Adj. EBITDA slightly up year-on-year excluding GAT and network charges



**P&D Q3 2018 performance review
EUR -0.6m YoY**

- Negative temporary impact due to higher resin prices especially in plastic packaging in the US
- Syringes profitability impacted by timing of demand
- Contract Manufacturing with mixed performance
 - Peachtree margin still in ramp up phase
 - Lower demand from a few device customers where we are single source supplier continues to impact capacity utilisation in Europe
 - Further compensation of EUR 4.2m recorded as a consequence of contract termination (and in total EUR 9.0m) on YoY comparison

**PPG Q3 2018 performance review
EUR 2.1m YoY (excl. network charges)**

- Higher capacity utilisation improved margins in the US YoY
- However, higher gas prices YoY currently affect margins, in particular for Moulded Glass Europe
- Expenses for network charges in the amount of EUR 1.4m recorded in Q3 2018 impact profitability²

**GAT Q3 2018 performance review
EUR -2.0m YoY**

- Adj. EBITDA development in line with expectations given the nature of revenues recorded so far and the Sensile Medical cost structure

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

2. Expenses of EUR 1.4m in Q3 2018 related to the network charges. The European Commission has decided that the exemption from network charges granted to large electricity consuming enterprises in 2012 and 2013 was an illegal state aid.

FX-Impact of EUR 14.2m on Q3 2018 Revenues and EUR 3.0m on Adjusted EBITDA

Group Q3 2018 review

EUR M	Q3 2018	Q3 2017	Change in %
Revenues	353.7	331.5	+6.7%
- of which FX effect	-10.7	-3.5	N.A.
Adj. EBITDA	73.7 ¹	77.6	-4.9%
- of which FX effect	-2.4	-0.6	N.A.
- Adj. EBITDA margin %	20.9 ¹	23.4	-250bps

P&D Q3 2018 review

EUR M	Q3 2018	Q3 2017	Change in %
Revenues	189.7	184.1	+3.0%
Adj. EBITDA	50.8	52.8	-3.9%
- Adj. EBITDA margin %	26.8	28.7	-190bps

PPG Q3 2018 review

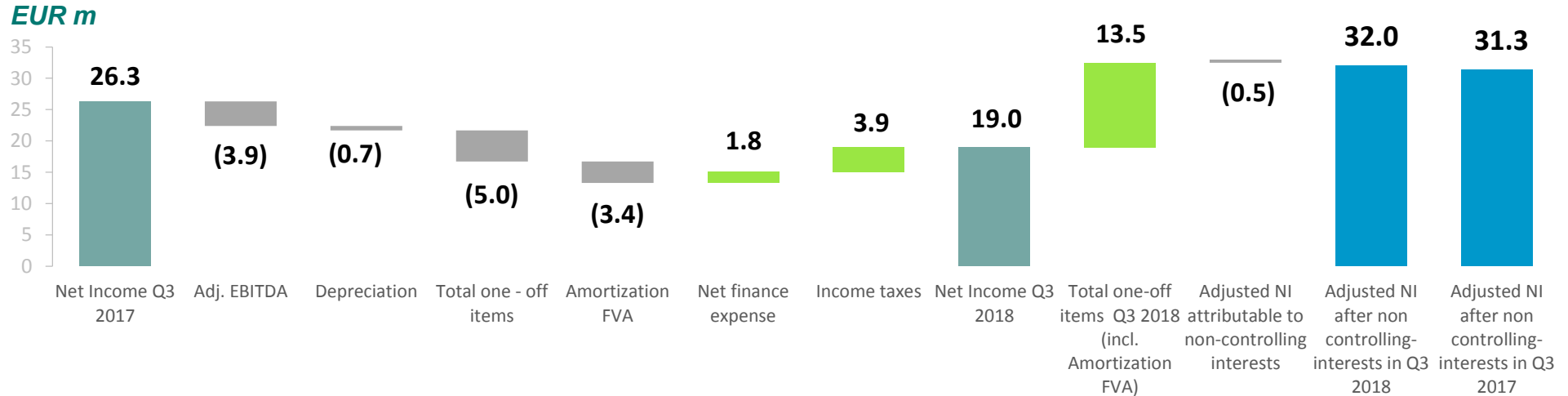
EUR M	Q3 2018	Q3 2017	Change in %
Revenues	160.7	147.8	+8.7%
Adj. EBITDA	30.2 ¹	29.8	+1.2%
- Adj. EBITDA margin %	18.8 ¹	20.1	-130bps

GAT Q3 2018 review

EUR M	Q3 2018	Q3 2017	Change in %
Revenues	3.5	-	N.A.
Adj. EBITDA	-2.0	-	N.A.
- Adj. EBITDA margin %	N.A.	-	N.A.

1. Including expenses of EUR 1.4m in Q3 2018 related to the network charges. The European Commission has decided that the exemption from network charges granted to large electricity consuming enterprises in 2012 and 2013 was an illegal state aid.

Adjusted net income after non-controlling interest slightly better year-on-year



Change in Net Income YoY EUR -7.3m

- Slightly higher depreciation as a factor of higher capex in past years
- One off-items mostly relating to costs related to the Sensile acquisition and Küssnacht closure
- Increase in Amortization of FVA directly result from first time consolidation of Sensile Medical
- Lower interest expenses YoY due to Bond redemption in May 2018

Change in Adjusted Net Income after non-controlling interests YoY EUR 0.7m

- EUR 13.5m of adjustments including amortisation and tax effects, mostly relate to acquisition of Sensile Medical and Küssnacht closure
- Adjusted Net Income after non-controlling interests stable YoY
- Adjusted EPS after non-controlling interests at EUR 1.02 in Q3 2018 versus EUR 1.00 in Q3 2017
- Adjusted EPS after non-controlling interests higher by EUR 1.13 in 9M 2018 vs 9M 2017, at EUR 3.69

Net debt and leverage impacted by acquisition of Sensile Medical

<i>EUR M</i>	AUG 31, 2018	NOV 30, 2017	AUG 31, 2017	CHANGE IN % ²
Total assets	2,651.1	2,444.1	2,255.9	+8.5%
Equity	824.6	789.5	750.7	+4.4%
<i>Equity ratio</i>	31.1%	32.3%	33.3%	-120bps
Net working capital	233.7	185.7	223.9	+25.9%
<i>NWC in % of LTM revenues</i>	17.3%	13.8%	16.8%	+350bps
<i>Average NWC in % of LTM revenues</i>	17.0%	16.5%	16.7%	+50bps

<i>EUR M</i>	9M 2018	9M 2017	CHANGE IN %
Operating Cash Flow	101.5	121.2	-16.2%
<i>Operating CF¹ in % of revenues¹</i>	10.4%	12.4%	-200bps
<i>Capex¹ in % of revenues¹</i>	4.6%	6.6%	-200bps

<i>EUR M</i>	AUG 31, 2018	NOV 30, 2017	CHANGE IN %
Net financial debt	905.8	712.7	+27.1%
<i>Adjusted EBITDA leverage (x)</i>	3.2x	2.3x	+39.1%

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 Aug 31, 2018 vs Nov 30, 2017

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2018 Outlook

FY 2018 GROUP METRICS	EXCL. SENSILE MEDICAL	FY 2017 GROUP METRICS
Revenues (FXN ¹)	Approx. EUR 1.38bn to EUR 1.4bn	EUR 1,348.3m
Adj. EBITDA (FXN ¹)	Approx. EUR 305m to EUR 315m Depending on the degree of advancement reached with our Inhalation growth project and on macro factors, Adj. EBITDA may tend towards approx. EUR 305m for FY 2018	EUR 307.2 ³
Capex (% FXN ^{1,2} sales)	Depending on the degree of advancement reached with our growth projects ~ 8%	8%

PRELIMINARY TARGETS FOR SENSILE MEDICAL FY 2018 MAINTAINED	EUR m
Revenues	~ 15
Adj. EBITA	~ -2

Wider financial framework including Sensile Medical:

KEY METRICS	POLICY
Adjusted EBITDA leverage (x)	2.5x
Dividend payout as % of Adj. NI after non-controlling interests	20% to 30%
Gx ROCE	~ 15%

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 capital expenditure on intangible assets in relation to licensing agreements
3. Excluding the income from the fair value evaluation of the Triveni Polymers Private Ltd. put option in Q4 2017 in the amount of EUR 3.6m

Looking ahead

- **Systematic execution of strategic priorities:**
 - ▢ Foundation of the Advanced Technologies Division underpins ambition to bring intelligent drug delivery systems and value added devices for the entire Gerresheimer Group, under an innovation umbrella
- **Clear identification of operational challenges for the short and mid term:**
 - ▢ Building up of additional capacity in the Czech Republic to host new inhalation project will remain a key operational focus in Q4 2018 and FY 2019
 - ▢ Managing customers transfers out of Küssnacht to other plants
- **Managing through volatility:**
 - ▢ Disruptive currency and commodities movements
- **Preparing management transition:**
 - ▢ Dietmar Siemssen to take over as CEO on November 1st, 2018
- **Overall 2019-2022 assumptions unchanged:**
 - ▢ Fine tuning 2019 budget planning, especially with regard to Capex / Opex allocation
 - ▢ FY 2018 earnings release planned for Feb 14, 2019

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Development of net working capital

	AUG 31, 2018 EUR M	NOV 30, 2017 EUR M	AUG 31, 2017 EUR M
Inventories	176.3	148.4	163.5
<i>thereof prepayments made</i>	5.4	2.1	5.1
Trade receivables	245.3	242.7	221.6
Trade payables	152.1	176.3	119.1
Payments received	35.8	29.1	42.1
Net working capital	233.7	185.7	223.9
<i>Average NWC in % of LTM revenues</i>	17.0%	16.5%	16.7%

Development of inventories

	AUG 31, 2018 <i>EUR M</i>	NOV 30, 2017 <i>EUR M</i>	AUG 31, 2017 <i>EUR M</i>
Raw materials, consumables and supplies	57.8	49.9	51.5
Work in progress	18.0	15.0	20.5
Finished goods and merchandise	95.1	81.4	86.4
Prepayments made	5.4	2.1	5.1
Inventories	176.3	148.4	163.5

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

- EUR 300m bond maturing on May 19, 2018 has been redeemed

- ~ 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

New USMCA "United States- Mexico- Canada-Agreement"

- Agreed upon in October 2018
- Needs to be ratified by all countries

- First assessment: No direct impact identified for our Mexican operations
- In the financial year 2017, our Mexican subsidiary's exports to the USA were approximately EUR 27m.

Positive effect expected on adjusted EPS after non-controlling interest

Continuous monitoring

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
<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 ²	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% ³	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. Based on adj. EPS after non-controlling interests

3. 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

PRELIMINARY FINANCIAL CALENDAR

February 14, 2019	Annual Report Financial Year 2018
April 11, 2019	Interim Report 1st Quarter 2019
July 11, 2019	Interim Report 2nd Quarter 2019
October 10, 2019	Interim Report 3rd Quarter 2019

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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.