

Quarterly Statement for Q3 2022

June 1 to August 31, 2022

Gerresheimer continues on profitable growth course

- Revenues grow organically by 16.3 % in first nine months
- Adjusted EBITDA up organically by 9.4% in the first nine months
- Guidance confirmed for the financial year 2022

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Key figures for the Gerresheimer Group

In EUR m	Q3 2022	Q3 2021	Change in %		9M 2022	9M 2021	Change in %	
			Actual	Organic			Actual	Organic
Results of operations								
Revenues	473.0	382.0	23.8	17.4	1,288.4	1,061.9	21.3	16.3
Adjusted EBITDA	90.5	74.8	21.0	–	242.1	210.9	14.8	–
Adjusted EBITDA margin in %	19.1	19.6	-50bps	–	18.8	19.9	-110bps	–
Adjusted EBITDA (currency-adjusted)	85.0	75.0	–	13.3	232.3	212.3	–	9.4
Adjusted EBITDA margin in % (currency-adjusted)	19.0	19.7	–	-70bps	18.8	20.0	–	-120bps
Adjusted net income	37.9	31.6	20.0	–	102.2	90.9	12.4	–
Earnings per share in euros	0.87	0.61	42.6	–	2.01	1.80	11.7	–
Adjusted earnings per share ²⁾ in euros	1.15	0.97	18.6	10.1	3.12	2.82	10.6	5.6
Financial position								
Cash flow from operating activities	76.5	87.5	-12.6	–	79.9	77.9	2.5	–
Cash-effective capital expenditure	-63.6	-49.1	-29.3	–	-178.5	-132.6	-34.6	–
Cash flow from investing activities	-59.9	-48.7	-23.0	–	-182.6	-124.3	-47.0	–
Free cash flow before M&A activities	16.6	38.9	-57.2	–	-94.8	-45.5	>-100.0	–

In EUR m	Aug. 31, 2022	Nov. 30, 2021	Change in %	
			Actual	Organic
Net assets position				
Total assets and total liabilities	3,538.6	2,877.5	23.0	–
Equity	1,314.8	1,002.2	31.2	–
Equity ratio in %	37.2	34.8	240bps	–
Net working capital (reporting date)	291.9	172.8	68.9	–
Net financial debt	1,172.0	1,025.1	14.3	–
Adjusted EBITDA leverage ³⁾	3.3	3.2	–	–
Employees				
Employees (reporting date)	10,937	10,447	4.7	–

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.

Revenues, adjusted EBITDA and financial position

Plastics & Devices

In EUR m	Q3 2022	Q3 2021	Change in %	
			Actual	Organic
Revenues ¹⁾	243.9	207.6	17.5	11.3
Adjusted EBITDA	58.7	50.5	16.1	9.3
Adjusted EBITDA margin in %	24.1	24.3	-20bps	-40bps

In EUR m	9M 2022	9M 2021	Change in %	
			Actual	Organic
Revenues ¹⁾	657.9	564.7	16.5	11.7
Adjusted EBITDA	151.4	137.3	10.3	5.6
Adjusted EBITDA margin in %	23.0	24.3	-130bps	-130bps

¹⁾ The revenues of the divisions include intercompany revenues.

Revenues in the Plastics & Devices Division in the third quarter of the financial year 2022 came to EUR 243.9m, up from EUR 207.6m in the same quarter in the prior year. On an organic basis – meaning without exchange rate effects – revenues increased by 11.3%. The foreign exchange effects resulted mainly from the change in the US dollar against the euro.

Demand for plastic packaging and injectors, as well as engineering and tooling business, made particular contributions to the excellent revenue development compared to the prior-year quarter. The growth in plastic packaging revenues was once again driven by price increases resulting from procurement prices being passed on to customers.

Adjusted EBITDA was a substantial 16.1% higher compared to the prior-year quarter, or up by 9.3% on an organic basis. The increase would have been more significant had it not been for the delays in passing on procurement prices to customers.

Primary Packaging Glass

In EUR m	Q3 2022	Q3 2021	Change in %	
			Actual	Organic
Revenues ¹⁾	228.5	174.2	31.2	24.5
Adjusted EBITDA	43.8	34.8	25.6	18.9
Adjusted EBITDA margin in %	19.2	20.0	-80bps	-90bps

In EUR m	9M 2022	9M 2021	Change in %	
			Actual	Organic
Revenues ¹⁾	628.4	494.3	27.1	21.9
Adjusted EBITDA	117.1	99.3	17.9	12.8
Adjusted EBITDA margin in %	18.6	20.1	-150bps	-150bps

¹⁾ The revenues of the divisions include intercompany revenues.

The Primary Packaging Glass Division increased its revenues significantly in the third quarter of the financial year by 31.2% to EUR 228.5m. Adjusted for exchange rate effects, revenues were up by 24.5% compared to the prior-year quarter. The foreign exchange rate effects resulted mainly from the change in the US dollar against the euro.

All business units developed positively. The pharma business continued to benefit from strong demand for High Value Solutions such as Gx[®] RTF Vials and Gx[®] Elite Glass. The development in revenues is also due to sustainable price increases as a response to higher procurement prices.

Adjusted EBITDA increased sharply by 25.6% compared to the prior-year quarter, while the adjusted EBITDA margin was slightly down on the prior-year figure. Quarterly earnings 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	Q3 2022	Q3 2021	Change in %	
			Actual	Organic
Revenues ¹⁾	4.0	1.5	>100.0	>100.0
Adjusted EBITDA	-4.5	-3.9	-13.8	-13.8
Adjusted EBITDA margin in %	-	-	-	-

In EUR m	9M 2022	9M 2021	Change in %	
			Actual	Organic
Revenues ¹⁾	9.2	5.2	75.3	75.3
Adjusted EBITDA	-7.8	-10.0	22.4	22.4
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

In EUR m	Q3 2022	Q3 2021	Change in %	
			Actual	Organic
Plastics & Devices	58.7	50.5	16.1	9.3
Primary Packaging Glass	43.8	34.8	25.6	18.9
Advanced Technologies	-4.5	-3.9	-13.8	-13.8
Corporate functions/consolidation	-7.5	-6.6	-12.4	-
Adjusted EBITDA	90.5	74.8	21.0	13.3

The change in the "Corporate functions/consolidation" item is influenced by a number of factors. No material circumstances were included in this item in the reporting period.

In EUR m	9M 2022	9M 2021	Change in %	
			Actual	Organic
Plastics & Devices	151.4	137.3	10.3	5.6
Primary Packaging Glass	117.1	99.3	17.9	12.8
Advanced Technologies	-7.8	-10.0	22.4	22.4
Corporate functions/consolidation	-18.6	-15.7	-18.2	-
Adjusted EBITDA	242.1	210.9	14.8	9.4

Financial position

Free cash flow

In EUR m	9M 2022	9M 2021	Change
Cash flow from operating activities	79.9	77.9	2.0
Net capital expenditure (before M&A activities)	-174.7	-123.4	-51.3
Free cash flow before M&A activities	-94.8	-45.5	-49.3

The change in cash flow from operating activities is mainly attributable to the higher adjusted EBITDA compared to the same period in the prior year. However, a higher level of funds tied up in net working capital had the opposite effect. This was primarily due to the deliberate decision to stockpile supplies to secure supply capabilities and counteract uncertainty on global supply chains, as well as particularly the rise in trade receivables on the back of revenue growth.

Net capital expenditure in the Plastics & Devices Division focused on the expansion of our syringe capacities, 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 Germany and the Czech Republic. The construction of the new plant at the Berlin, Ohio (USA) location was completed in the third quarter. The new plant will help to expand our global market presence and add further pharmaceutical clean room production to the U.S. market.

Capital expenditure in the Primary Packaging Glass Division largely relate to the furnace expansion in Germany and India as well as the expansion of production capacities for injection vials in North America and Europe. The construction of a new furnace at the location in Tettau, Germany, was completed on schedule in the third quarter. Thanks to the latest hybrid technology, the furnace will help to reduce CO₂ emissions and lower dependence on fossil fuels.

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.

Duesseldorf, October 11, 2022

The Management Board

Financial information

for the third quarter and the first nine months of the financial year 2022

Key data

Net financial debt

In EUR m	Aug. 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	232.0	70.0	162.0
Local credit facilities and used overdraft facilities	49.1	39.5	9.6
Liabilities from lease, factoring and installment purchases	64.5	69.2	-4.7
Financial debt	1,306.1	1,139.2	166.9
Cash and cash equivalents	134.1	114.1	20.0
Net financial debt	1,172.0	1,025.1	146.9

A new three-year revolving credit facility of EUR 150m was concluded on July 1, 2022, partly to refinance the tranches of a promissory loan due in the fourth quarter. The total volume of the two revolving credit facilities, plus ancillary credit facilities, amounted to EUR 626m on the reporting date.

Capital structure

In % of total assets	Aug. 31, 2022	Nov. 30, 2021
Non-current assets	75.9	77.2
Current assets	24.1	22.8
Equity	37.2	34.8
Financial debt	36.9	39.6
Other non-current liabilities	11.9	10.2
Other current liabilities	14.0	15.4

The change in the capital structure of non-current assets and equity is largely due to the development of the commodity derivatives used to hedge procurement price risks and measured at fair value in cash flow hedge accounting.

Consolidated Income Statement¹⁾

for the period from June 1 to August 31, 2022, and the first nine months of the financial year 2022

In EUR k	Q3 2022	Q3 2021	9M 2022	9M 2021
Revenues	472,970	382,033	1,288,386	1,061,875
Cost of sales	-324,180	-266,938	-901,491	-746,490
Gross profit on sales	148,790	115,095	386,895	315,385
Selling and general administrative expenses	-94,047	-72,097	-258,364	-207,256
Research and development expenses	-5,029	-2,769	-15,127	-7,992
Other operating income	1,909	1,148	14,808	15,400
Other operating expenses	-5,349	-7,007	-13,138	-19,630
Operating income	46,274	34,370	115,074	95,907
Interest income	568	318	1,389	930
Interest expenses	-5,800	-5,246	-19,244	-15,019
Other financial result	-463	-296	-1,734	216
Financial result	-5,695	-5,224	-19,589	-13,873
Income before income taxes	40,579	29,146	95,485	82,034
Income taxes	-11,546	-8,890	-28,029	-23,196
Net income	29,033	20,256	67,456	58,838
Shareholders of Gerresheimer AG	27,341	19,129	63,233	56,459
Non-controlling interests	1,692	1,127	4,223	2,379
Basic and diluted earnings per share in euros	0.87	0.61	2.01	1.80

¹⁾ Since the beginning of the financial year, income from reversal of other provisions as well as income from de-recognition of liabilities has been recorded in the item of the income statement in which the expense was originally recorded. The prior-year figures have been adjusted accordingly.

Consolidated Balance Sheet

as of August 31, 2022

In EUR k	Aug. 31, 2022	Nov. 30, 2021
Assets		
Intangible assets	1,346,806	1,288,757
Property, plant and equipment	1,022,000	904,324
Investment property	974	974
Investment accounted for using the equity method	54	54
Income tax receivables	745	717
Other financial assets	244,969	18,071
Other non-financial assets	67,201	1,042
Deferred tax assets	3,613	6,348
Non-current assets	2,686,362	2,220,287
Inventories	323,160	238,270
Trade receivables	271,606	212,385
Contract assets	22,274	19,480
Income tax receivables	5,093	2,339
Other financial assets	23,921	19,766
Other non-financial assets	71,689	50,507
Cash and cash equivalents	134,117	114,051
Non-current assets held for sale and discontinued operations	383	383
Current assets	852,243	657,181
Total assets	3,538,605	2,877,468
Equity and liabilities		
Subscribed capital	31,400	31,400
Capital reserve	513,827	513,827
Accumulated other comprehensive income	193,192	-90,104
Retained earnings	550,181	526,198
Shareholders of Gerresheimer AG	1,288,600	981,321
Non-controlling interests	26,238	20,884
Equity	1,314,838	1,002,205
Provisions for pensions and similar obligations	132,964	134,928
Other provisions	7,753	10,389
Financial debt	705,008	695,288
Trade payables	-	506
Contract liabilities	1,359	1,615
Other financial liabilities	-	80
Other non-financial liabilities	81,991	17,956
Deferred tax liabilities	197,854	128,720
Non-current liabilities	1,126,929	989,482
Provisions for pensions and similar obligations	13,060	12,462
Other provisions	32,782	33,165
Financial debt	601,125	443,909
Trade payables	288,585	284,253
Contract liabilities	35,202	10,982
Income tax liabilities	20,022	12,170
Other financial liabilities	11,433	2,172
Other non-financial liabilities	94,629	86,668
Current liabilities	1,096,838	885,781
Total equity and liabilities	3,538,605	2,877,468

Consolidated Statement of Cash Flows

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

In EUR k	9M 2022	9M 2021
Net income	67,456	58,838
Income taxes	28,029	23,196
Financial result	19,589	13,873
Amortization/depreciation/impairment losses	121,568	104,584
Result of associated companies and other investment income	-192	-
Change in provisions	-11,237	-13,331
Result of disposals of non-current assets/liabilities	103	- 4,362
Interests paid	-7,958	-6,395
Interests received	676	479
Income taxes paid	-28,666	-36,231
Income taxes received	4,278	1,881
Change in inventories	-74,954	-51,784
Change in trade receivables as well as contract assets	-45,974	9,535
Change in trade payables as well as contract liabilities	24,844	-12,022
Change in net working capital	-96,084	-54,271
Other non-cash-effective items	-17,647	-10,329
Cash flow from operating activities	79,915	77,932
Cash received from disposals of non-current assets	358	9,214
Cash paid for capital expenditure in intangible assets and property, plant and equipment	-175,049	-132,630
Cash paid for capital expenditure in fully consolidated companies as well as other equity investments	-7,945	-855
Cash flow from investing activities	-182,636	-124,271
Dividend payments to third parties	-39,250	-39,250
Dividend payments from third parties	192	-
Raising of loans	274,724	158,263
Repayment of loans	-108,302	-56,904
Cash paid for leases and installment purchase liabilities	-13,854	-10,602
Other issues from financing activities	-1,545	1,484
Cash flow from financing activities	111,965	52,991
Changes in financial resources	9,244	6,652
Effect of exchange rate changes on financial resources	7,903	926
Financial resources at the beginning of the period	83,588	58,394
Financial resources at the end of the period	100,735	65,972
Components of the financial resources		
Cash and cash equivalents	134,117	98,152
Overdraft facilities	-33,382	-32,180
Financial resources at the end of the period	100,735	65,972

Reconciliation of adjusted EBITDA

In EUR m	9M 2022	9M 2021	Change
Adjusted EBITDA Plastics & Devices	151.4	137.3	14.1
Adjusted EBITDA Primary Packaging Glass	117.1	99.3	17.8
Adjusted EBITDA Advanced Technologies	-7.8	-10.0	2.2
Adjusted EBITDA Corporate functions/consolidation	-18.6	-15.7	-2.9
Adjusted EBITDA	242.1	210.9	31.2
Depreciation/amortization and impairment losses	-88.1	-73.9	-14.2
Amortization and impairment losses of fair value adjustments	-29.4	-26.6	-2.8
Exceptional income and expenses	-9.5	-14.5	5.0
Operating income	115.1	95.9	19.2
Financial result	-19.6	-13.9	-5.7
Income taxes	-28.0	-23.2	-4.8
Net income	67.5	58.8	8.7
Amortization and impairment losses of fair value adjustments	29.4	26.6	2.8
Exceptional income and expenses	9.5	14.5	-5.0
Exceptional expenses on financial result	1.6	-	1.6
Tax effects	-5.8	-9.0	3.2
Adjusted net income	102.2	90.9	11.3
Non-controlling interests	4.2	2.4	1.8
Adjusted net income attributable to shareholders of Gerresheimer AG	98.0	88.6	9.4
Adjusted earnings per share attributable to shareholders of Gerresheimer AG in euros	3.12	2.82	0.30

Additional Information

Financial Calendar

February 23, 2023	Publication Annual Report 2022
April 6, 2023	Publication Quarterly Statement Q1 2023
July 6, 2023	Publication Half-Year Financial Report 2023
October 5, 2023	Publication Quarterly Statement Q3 2023

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Disclaimer

This Quarterly Statement 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 fundamentals, are in accordance with such future-oriented statements in this Quarterly Statement, 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 Quarterly Statement is the English translation of the original German version; in case of deviations between these two, the German version prevails.