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# Acquisition of Bormioli Pharma; Higher Profitability Expected; Strategic Review of New Moulded Glass

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# Acquisition of Bormioli Pharma Strengthening Our Systems Integration – Strategic Review of New Moulded Glass – Accelerating our Transformation

- Bormioli Pharma highly strategic and complementary with our existing portfolio and footprint
- Profitable growth track record, attractive margins and cash generation – accretive to our margins and EPS trajectory
- Substantial synergies accelerating value creation for shareholders
- Initiating Strategic Review to explore options for Our New Moulded Glass Powerhouse
- Delivering on our vision – Strengthening breadth of our platform – Accelerating our transformation journey

# Transaction Summary

**Bormioli Pharma**

- Italy based manufacturer of plastic and moulded glass solutions for pharma markets
- Revenues of ~€370m with adj EBITDA margin of ~21%, per FY24E[1]
- 60-70% normalized cash conversion[2]

## Key Transaction Terms

- Acquiring 100% of Bormioli Pharma Group from Triton Group
- Transaction value of approximately €800m
- Adj EBITDA multiple of c. 10x pre synergies, per FY24E[1]
- Attractive synergies reducing acquisition multiple

- All cash acquisition
- Funded by acquisition bridge

- Closing expect in Q4 2024, subject to customary closing conditions and approvals

## Key Financials

- Outlook for Bormioli Pharma:
  - Mid single digit organic revenue CAGR
  - On track to achieve adj EBITDA margins of ~25% near to mid term
  - In addition attractive synergies of 3-5% of Bormioli Pharma revenues
- Impact on Gx:
  - Adj EBITDA margin accretion of 50 – 100 bps near term
  - Adj EPS accretion of >10% already in first year after closing
  - Strong cash contributor

- Leverage temporarily higher – mid to high 3s x adj EBITDA on closing
- Quick deleveraging towards our target leverage of ≤3.0x within one year from closing

- Strategic review of our new Moulded Glass Powerhouse



Notes: (1) Per Gx expectation (2) Normalized cash conversion defined as 3yr average of adj EBITDA – Capex as % of adj EBITDA

# Key Acquisition Highlights – Strong Strategic Fit Across Portfolio

| | |
|---|---|
| **Highly Complementary Portfolio** | ▪ Complementary offering of primary pharma plastic and moulded glass containment solutions<br>  ▪ Enhancing Gx's Primary Plastics portfolio with full range of smart closures, rubber stoppers, accessories for containers and dual chamber solutions<br>  ▪ Exposure to attractive parental pharma Type 1 and Type 2 markets in moulded glass<br>▪ Southern European footprint complementing our Northern and Central European presence |
| **Extending Integrated Systems Offering and Creating a One-Stop-Shop Platform** | ▪ Enabling integrated systems offering within containment solutions supporting High Value Solutions pipeline<br>  ▪ Integrated primary pharma plastics container + smart closures supporting Container Closure Integrity (CCI)<br>  ▪ Integrated vial + rubber stopper solutions offering for injectable customers<br>▪ Creation of a one-stop-shop for PharmaCos globally by delivering the breadth of the Gx platform |
| **Highly Attractive Financial Trajectory** | ▪ Highly profitable with adj EBITDA margin of ~21%, per FY24E[1] with ~25% near to mid term before synergies<br>▪ Mid single digit organic revenue CAGR<br>▪ Attractive cash generation with 60-70% normalized cash conversion[2] |
| **Significant Synergies** | ▪ Substantial synergies across portfolio given strategic fit and complementarity of our portfolio<br>▪ Expected synergies of c. 3-5% of Bormioli Pharma revenues<br>▪ Significant portion of synergies achieved within first 2 years after closing |



Notes: (1) Per Gx expectation (2) Normalized cash conversion defined as 3yr average of adj EBITDA – Capex as % of adj EBITDA

# Accelerating the Transformation of Gerresheimer

## Accretive to Our Stated Financial Ambitions

| | Mid-term Guidance | Acquisition Impact |
|---|---|---|
| **Revenue Growth Profile** | ≥ 10% CAGR | Unchanged |
| **Adj EBITDA Margin Profile** | 23-25% adj EBITDA margin | 50 to 100 bps margin accretion near-term |
| **Adj EPS Profile** | ≥ 10% CAGR | Accretive in adj EPS >10% from year-1 |
| **Deleveraging Profile** | <3x Net Debt/ adj EBITDA | ≤3.0x within 1 year after closing, supported by strong cash conversion and synergies |

## New Moulded Glass Powerhouse – Strategic Review Initiated

- Enables creation of a new global Pharma and Cosmetics Moulded Glass Powerhouse
- Bormioli Pharma's parental Pharma exposure complementing Gerresheimer's Pharma and cosmetic / food & beverage exposure
- Strong ~€750m revenue with adj EBITDA margin of ~21% pro forma per FY24E[1]
- On track to achieve mid 20s % adj EBITDA margin mid term
- Mid single digit organic revenue growth profile
- Greater size and scale – more diversified end-market exposure – attractive financial trajectory



Note: (1) Per Gx expectation

# The New Gerresheimer – Creation of Three Market Leading Platforms

## ~30% Moulded Glass

- **Global Moulded Glass Powerhouse**
- Includes Pharma Type I, II, III, Cosmetics and Food & Beverage solutions
- Mid single digit revenue growth
- Margin upside opportunity

## ~30% Delivery Systems

- **Bring the drug into the patient**
- Integrated delivery systems including syringes and medical devices
- **Strong double digit organic growth profile**
- **Profitability turbo-charging with High Value Solutions pipeline ramp-up**

## ~40% Containment Solutions

- **Bring the drug to the patient**
- Integrated containment solutions across plastics, tubular glass and US prescription vials
- **High single digit organic growth**
- **Highly attractive margins and cash generation profile, further accelerated via High Value Solutions**

% Pro Forma 2024E Sales



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# Bormioli Pharma – Business Overview

## General Information

- Established in 1825, Bormioli Pharma is a leading pharma primary packaging manufacturer
- HQ: Italy
- ~1,500 employees

## Markets

- Global presence in over 100 countries
- Well invested Southern European footprint, with 9 plants distributed across Italy (5), Germany (3) and France (1)
- Serves a diversified blue-chip customer base
- 75% of top 20 customers with 20+ years relationship

| | | |
|---|---|---|
| **Financials FY24E [1] (€m)** | **~370** Sales | **~21%** Adj EBITDA Margin |
| **Outlook** | **~25%** Near to mid term Adj EBITDA margin[2] | **60-70%** Normalized Cash Conversion[3] |
| | **Mid Single Digit** Organic revenue CAGR | |

## Product Overview

Leading Primary Pharma Solutions Provider with a Differentiated Offering

| | | | Description |
|---|---|---|---|
| **Pharma Plastics** 53% | **Closures** | | – Solutions for **oral solid** and **oral liquid**<br>– Patented active **dual chamber systems** |
| | **Containers** | | – Full range of **containers** and **jars** for **oral drug** administration<br>– **Complete solutions** for **ophthalmic treatments**<br>– Products offered in multiple materials (PET, HDPE, LDPE, PP, PEN, etc.) and in **sustainable polymers** (recycled and bio-based) |
| | **Accessories & Dosing Systems** | | |
| **Moulded Glass** 45% | **Type I** | | – Full range of **pharma-grade glass including type I, II and III glass vials and containers**<br>– Used for **parenteral and oral formulations** |
| | **Type II** | | |
| | **Type III** | | |
| **Converting** 3% | **Vials** | | – **Glass vials and containers** produced by converting **flint** and **amber glass** tubing<br>– Used to store and dispense a **wide range of injectables** |

% 2023A Sales



Notes: (1) Per Gx expectation (2) Before synergies of 3-5% of Bormioli Pharma revenues (3) Normalized cash conversion defined as 3yr average of adj EBITDA – Capex as % of adj EBITDA

# Truly Complementary Portfolio Completing Solutions Offering to Pharma Customers

| | PHARMA PLASTICS | | | | | | | GLASS | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Oral Solid | Ophthalmic | Oral Liquid | Dual Chamber | Child Proof / TE Closures | Accessories | Rubber Stoppers / Seals | Pharma | | | Cosmetics | Food & Beverage |
| | | | | | | | | Type I | Type II | Type III | | |
| | | | | | | | | | | | | |
| bormioli pharma | (✓) | (✓) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| gerresheimer In Europe | ✓ | ✓ | ✓ | | | | | | (✓) | ✓ | ✓ | ✓ |

Bormioli Pharma strong in smaller containers and Gerresheimer in larger with higher volume

Bormioli Pharma strong presence – Gerresheimer limited presence

Gerresheimer strong presence – Bormioli Pharma limited presence



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# Enabling Integrated Solutions Offering Supporting Differentiation and Value Add for Customers

**A**

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Gx strong offering of EZ-fill Smart™

Bormioli Pharma offering in rubber stoppers

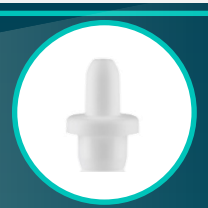
**Integrated Vial + Stopper System for Injectables**

**B**

gerresheimer | bormioli pharma

Gx strong presence in bottles and containers

**Integrated Primary Pharma Plastics System**



Bormioli Pharma strong offering in smart closures

**Primary Plastics Product Database**

**C**

gerresheimer | bormioli pharma

Gx strong presence in bottles and containers

Bormioli Pharma strong offering in smart closures

**Integrated Primary Pharma Plastics System**

## One Source

- One supplier
- One supply chain
- One contact
- One technical documentation

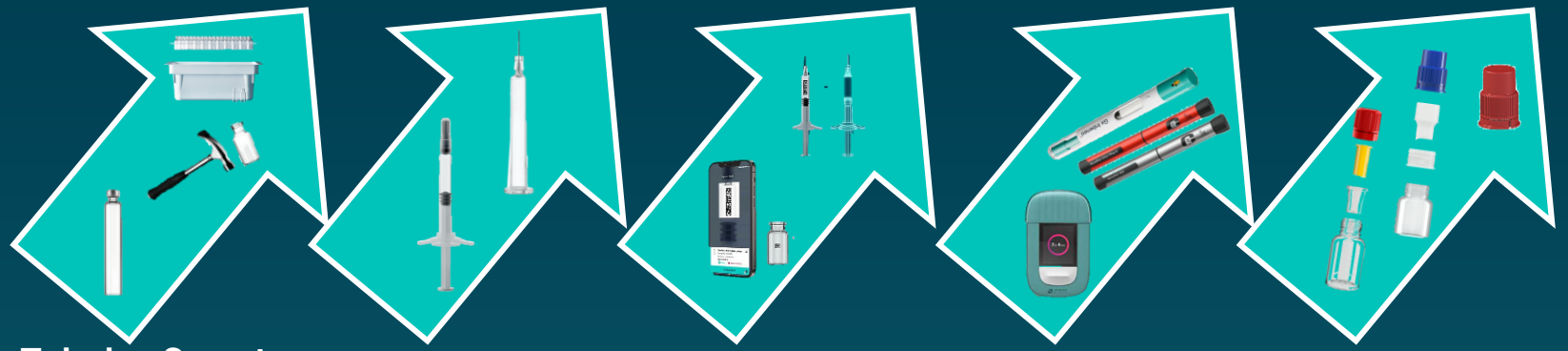
- Complete regulatory support for the integrated solutions – as the only one
- Smooth registration process with all relevant information – just a click away
- Supports internal documentation, testing and approval – complete system integration
- Full regulatory support with up-to-date information on any product

## One Solution

- Qualified system with container closure integrity (CCI)
- Ensured functionality
- Regulatory support and knowledge transfer
- Customized solutions through co-development expertise

# The New Gerresheimer – Solid Foundation Platform Bolstered With Growth Accelerators

**Growth Accelerators**



Tubular Smart Vials and Cartridges (EZ-fill Smart™)

Syringes

Digital

Other Devices / GAT

High Value Pharma Plastics

**Solid Foundation Platform**

Base Tubular Glass

Primary Pharma Plastics

US Prescription Vials

Medical Devices

Moulded Glass

Strategic Review Initiated

# Creation of Moulded Glass Powerhouse in Parental Pharma and Cosmetics

## Strategic Review Initiated

- Creation of new moulded glass powerhouse
  - Greater size, scale, and footprint
- Parental pharma with attractive cosmetics and food & beverage exposure
- Strategic review initiated to assess options with regards to the moulded glass powerhouse

**1** **Robust Financial Trajectory with Attractive Synergies**

| Sales 2024E[1] (€m) | Adj EBITDA Margin 2024E[1] | Adj EBITDA Margin Mid Term | Organic Revenue Growth Mid Term |
|---|---|---|---|
| ~€750m | ~21% | Mid 20s% | Mid Single Digit |

**2** **Global Footprint – Consolidation in Europe, Growth in US / Asia**

**Number of Moulded Glass Plants**

6

1

1

**3** **Creating a Stronger, More Diversified Moulded Glass Powerhouse**

**End-Market Split 2023 Pro-Forma Sales of Combined Moulded Glass**

Pharma Type I, II, III

Cosmetics, Food & Beverage

 Note: (1) Per Gx expectation

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# Prudent Financing Structure With Acquisition Bridge

| | |
|---|---|
| **Bridge Financing** | ▪ To be financed through committed bridge loan provided by existing relationship banks |
| **Long Term Financing** | ▪ Acquisition bridge refinanced through various permanent financing options |
| **Headroom** | ▪ Leverage temporarily higher at mid to high-3x adj EBITDA territory on closing, significantly below our covenant threshold of 4.25x for 4 quarters after closing |
| **Deleveraging** | ▪ Quick deleveraging towards our target leverage of ≤3.0x within one year from closing, supported by strong margins, cash flow generation and synergies |

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# Q&A

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