

**GERRESHEIMER**



# Capital Markets Day Strategy

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## Gerresheimer: Mid-term targets

■ **Revenues** +5% to 6% p.a. (organic) at const. currencies

■ **EBITDA margin** +20bp to 50 bp p.a.

■ **Capex** averagely 7% to 9% of revenues



## Gerresheimer stands to benefit from three major pharma trends

### Rise of emerging countries



### Generics trend



### New devices & growth in specialty pharma



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### Rise of emerging countries



### Generics trend

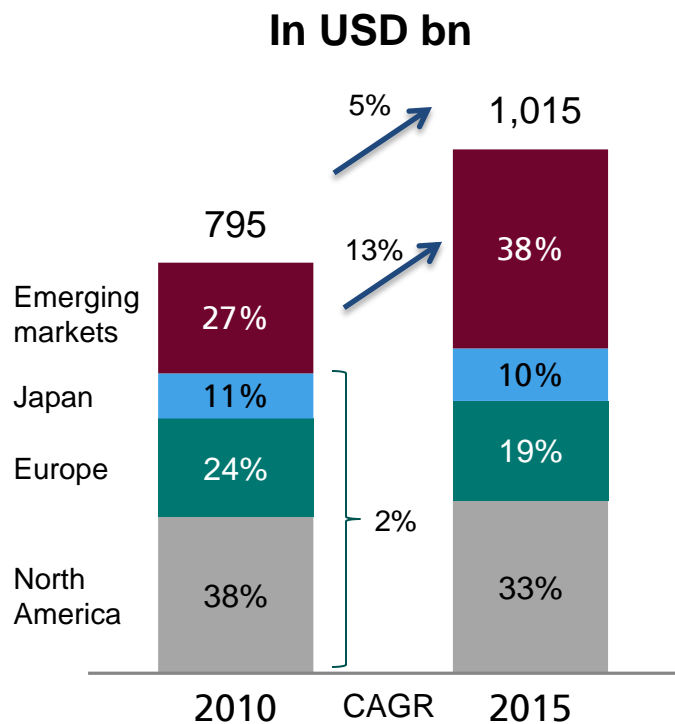


### New devices & growth in specialty pharma

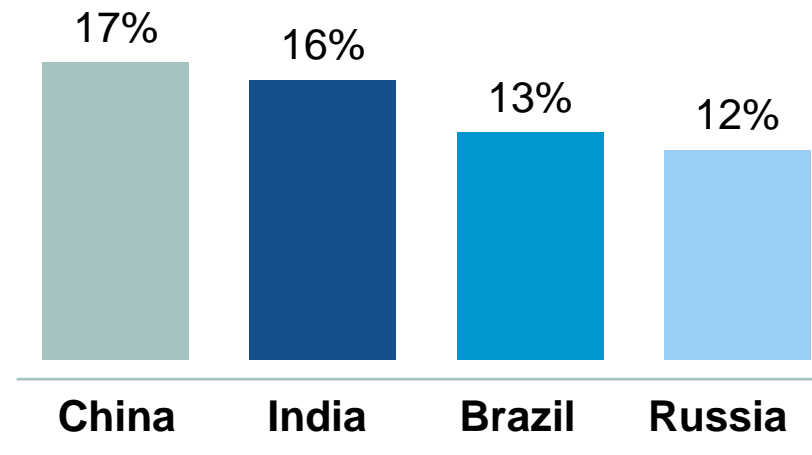


# Emerging markets show fastest growth in pharma spending

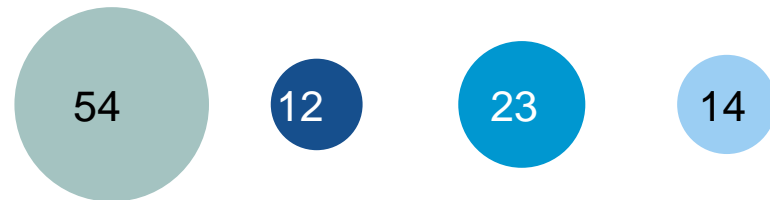
## Global pharma spending by region



## Growth rates in BRIC countries



Market Size (USD bn)



Source: IMS Health Market Prognosis; Sep 2011

## Strong growth drivers in emerging markets

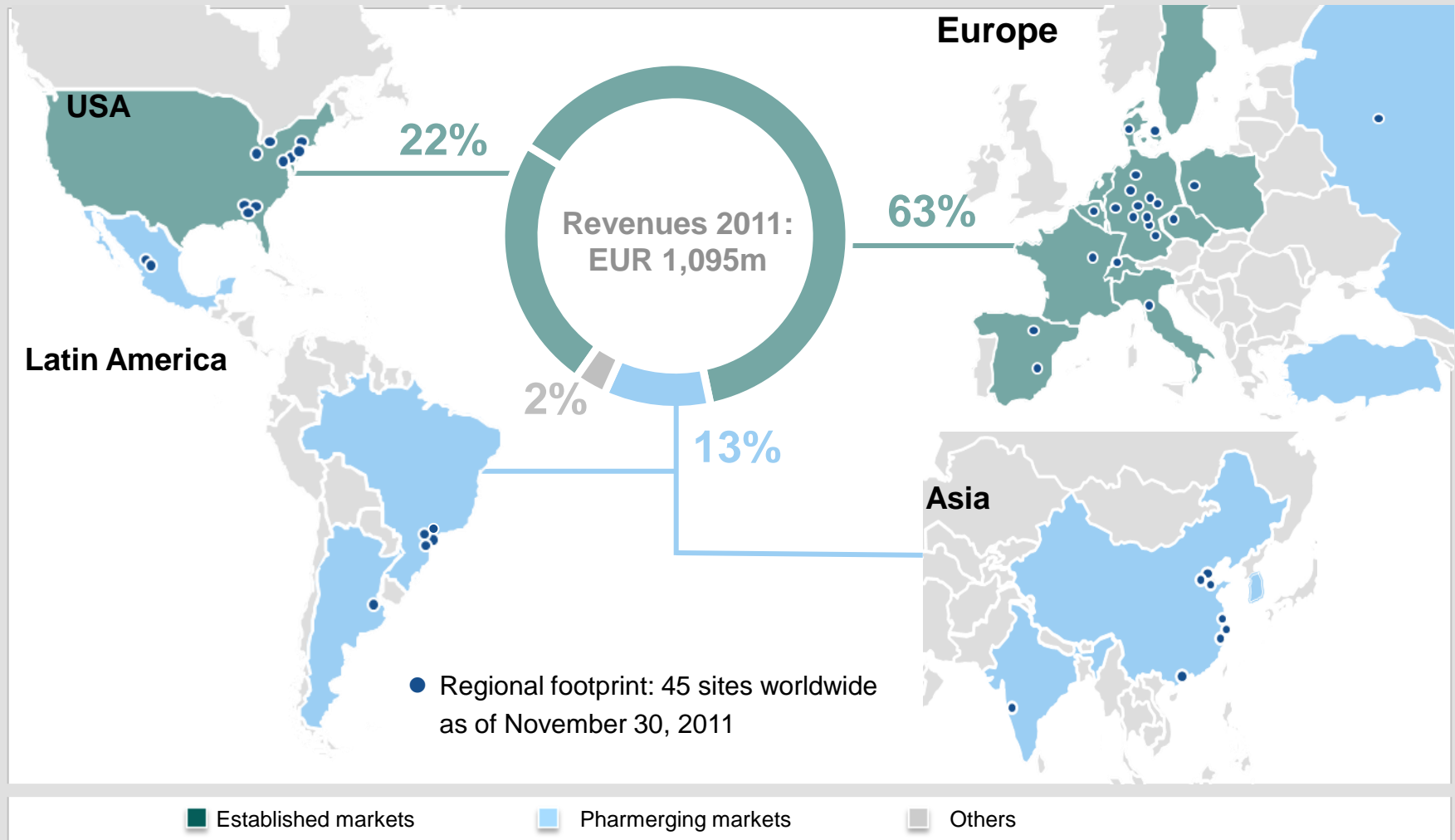
### Business drivers



- Population growth and life expectancy on the rise
- Rising standard of living leads to increased demand for medicines and healthcare coverage
- Healthcare programs implemented in some countries



## Global player with strong regional footprint: 16 sites in emerging markets already





## Our target and strategy for the emerging markets

■ **FY 2011** EUR 140m (13% of total revenues)

■ **FY 2013 target** EUR 200m

■ **Strategy** Organic growth, driven by primary pharmaceutical packaging plus bolt-on acquisitions

■ **Opportunities**

- Expansion into new markets
- Further expansion of local infrastructure within existing markets (India, Russia)
- With increased quality requirements the average price per standard unit sold will move up

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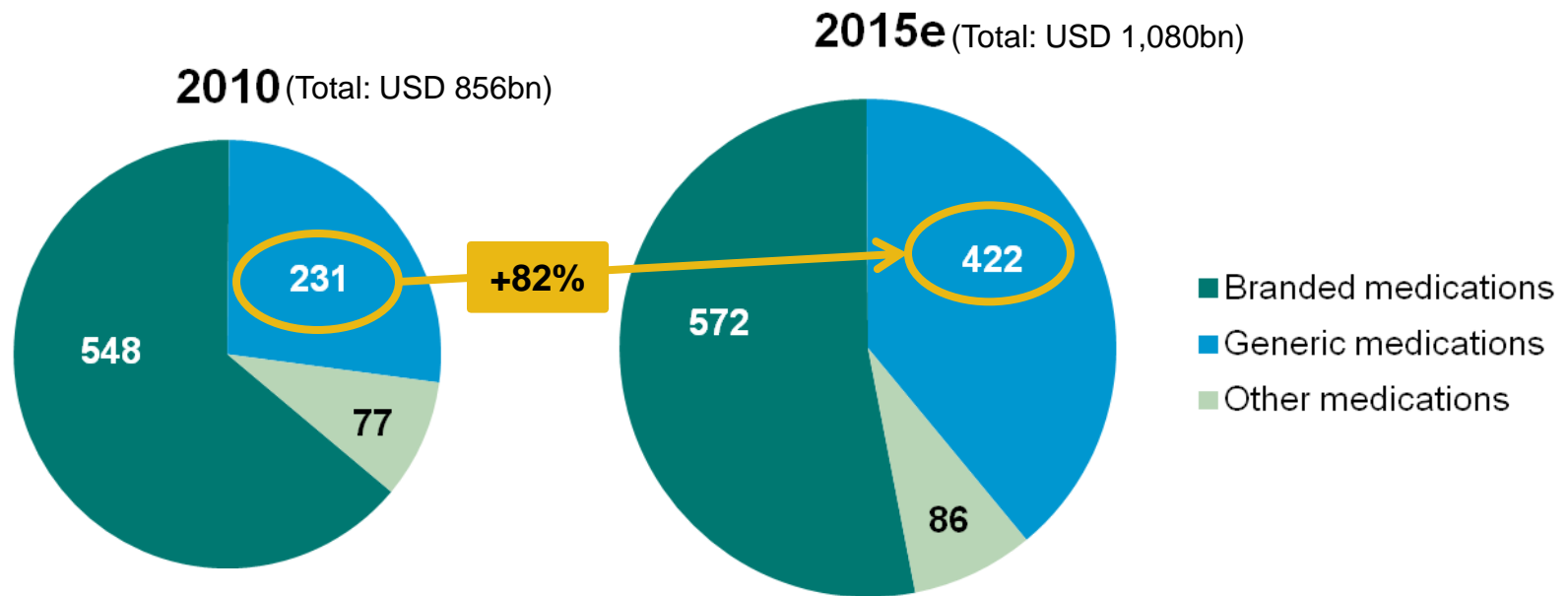


### New devices & growth in specialty pharma



## Generics spending set to experience significant growth

### Estimated drug spending share by segment in USD bn

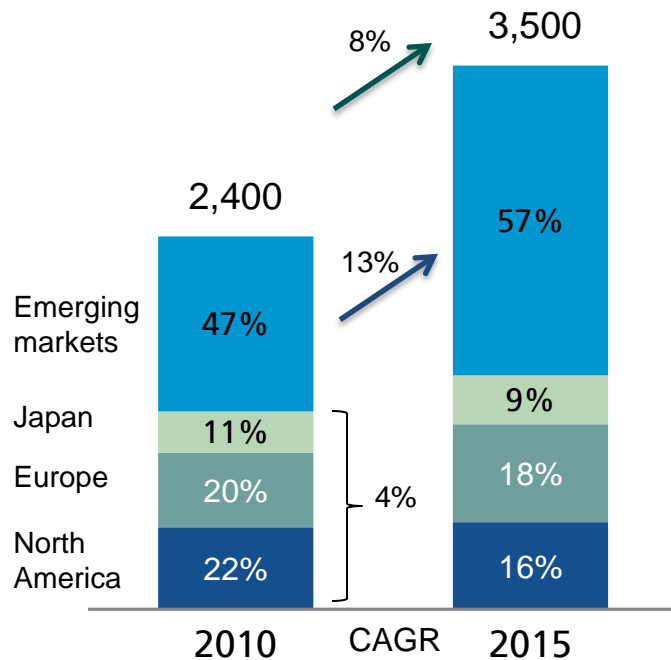


- Generics spending is estimated to grow by more than 80% through 2015
- 70% of all Generics spending will be outside developed markets

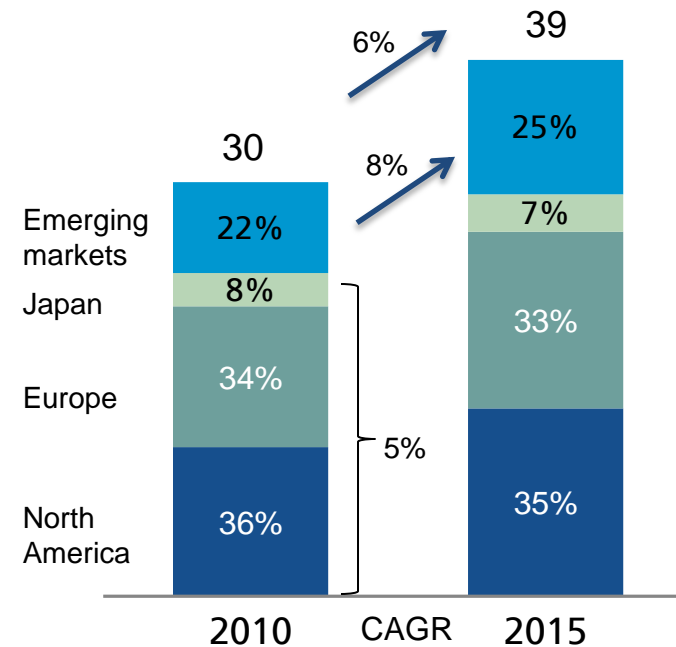
\*Source: IMS Market Prognosis, Apr 2011

**New generic drugs are boosting the number of standard units sold**

**Global pharma spending in bn standard units**



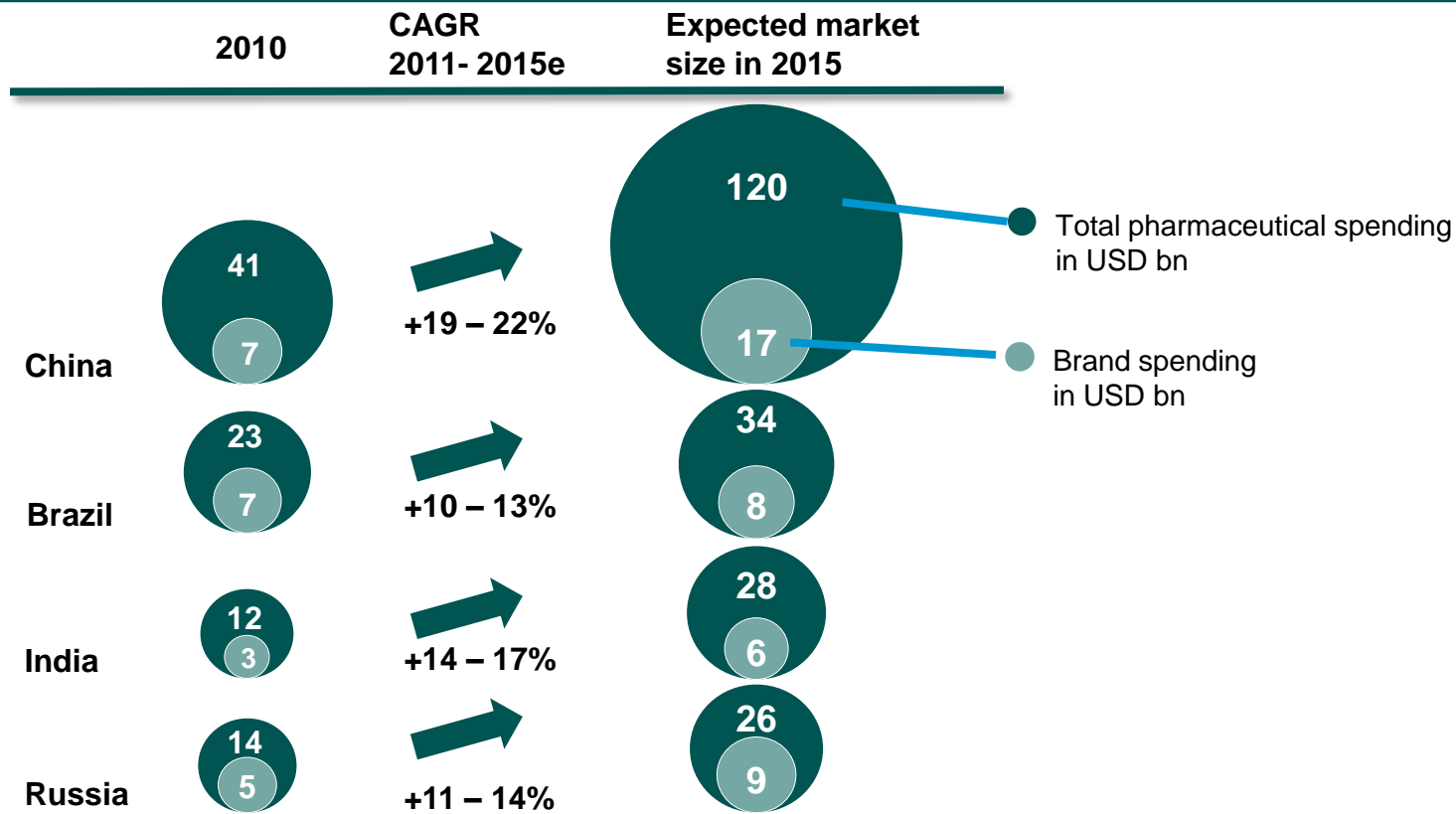
**Sales of primary pharmaceutical containers in USD bn**



Source: IMS Health Market Prognosis; Freedonia World Pharmaceutical packaging June 2011

# 70% of all Generic spending by 2015 will be outside developed markets

## Split of total and brand spending in emerging markets



\*Source: IMS, The Global Use of Medicines: Outlook Through 2015, May 2011

## Drivers of the generics market expansion

### Business drivers



- Patent expiries will lead to accelerated spread of price-attractive generics especially in developed markets
- Increased incentives for the usage of generics in many markets
- Strong domestic generics players in emerging countries





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## Fast-growing devices help treat and avoid most prevalent diseases



### Diabetes:

- Main causes: Unhealthy lifestyle, obesity
- Medical devices for treatment: Insulin pens, lancets and lancing devices
- Projected market growth rate for insulin pens: about +6 to 8% p.a.

### Exemplary customers:



### Respiratory diseases → Asthma, COPD<sup>1</sup>:

- Main causes: Rising pollution, unhealthy lifestyle, obesity, smoking
- Medical devices for treatment: Dry powder inhalers
- Projected market growth rate: about +3 to 5% p.a.

### Exemplary customers:



<sup>1</sup> COPD = Chronic obstructive pulmonary disease



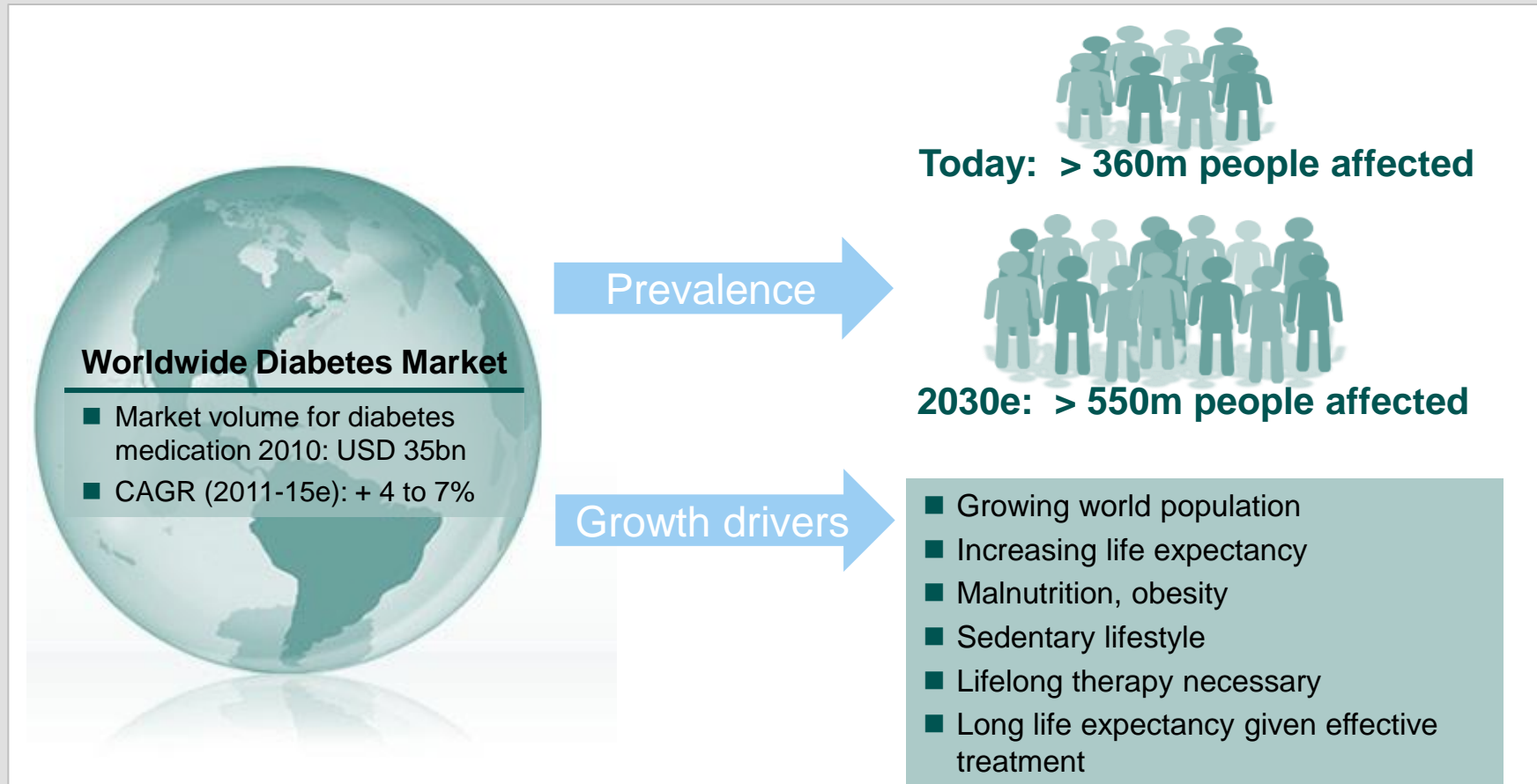
### Vaccinations:

- Driven by: Rising global health standards
- Medical devices and primary packaging for treatment: RTF® syringes, ampoules, vials
- Projected market growth rate: RTF® syringes about +10% p.a., ampoules and vials about +3 to 4% p.a.

### Exemplary customers:

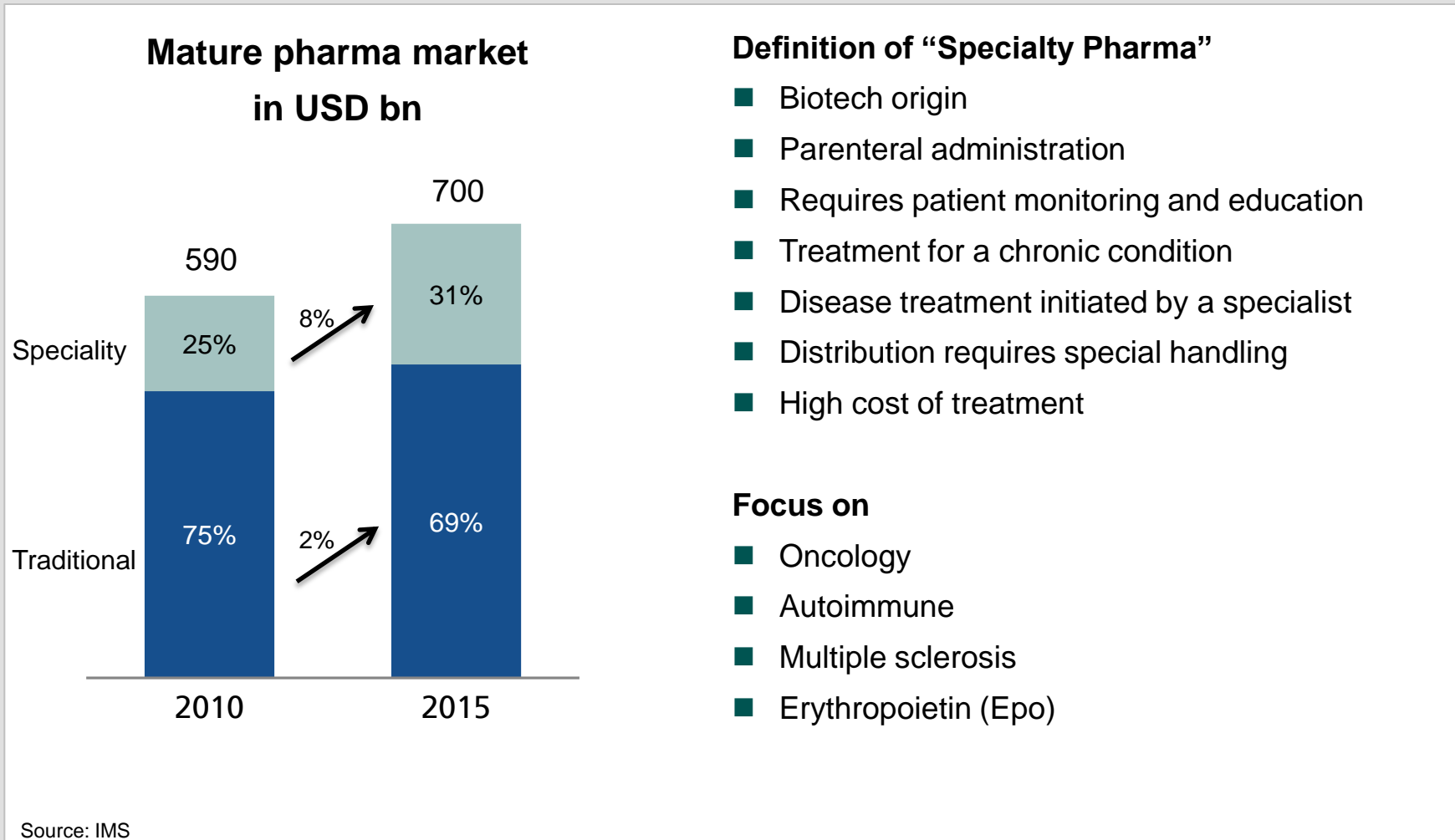


## Growth driver diabetes: Unhealthy nutrition habits speed up prevalence



Source: International Diabetes Federation: Diabetes Atlas, 5th edition, November 2011. Link: <http://www.idf.org/media-events/press-releases/2011/diabetes-atlas-5th-edition>

## Specialty pharma is growing faster than the average pharma market



## Specialty pharma offers good growth prospects for devices to improve support, safety and compliance of patients

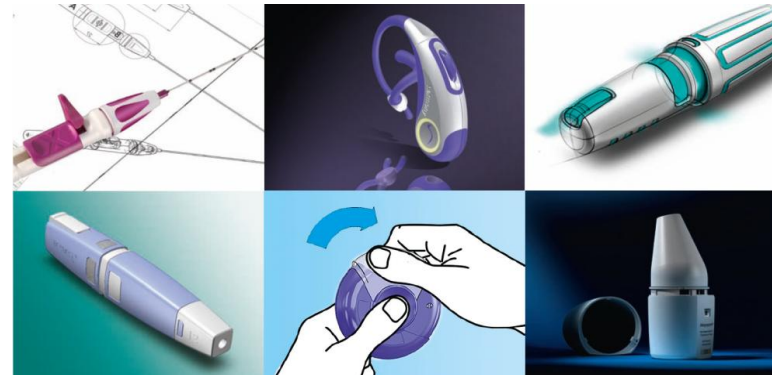
### Characteristics of specialty pharma

- Parenteral administration
- Biotech origin / high price
- Often the preferred method of therapy is self-medication (after initiation by specialist)



### Opportunities for Gerresheimer

- Syringes and vials are the packaging of choice
- High-quality syringes, vials and cartridges made of glass or COP
- Need for safety devices, pens and auto-injectors




## Dosage compliance and adherence to therapy can be substantially increased by device innovations

### Challenge for pharma industry

- 30 - 50% of medication not taken as prescribed
- Patients need to be better supported

### Devices are a critical value driver

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>■ Design</li> <li>■ Usability</li> <li>■ Discretion</li> <li>■ Portability</li> </ul> |  | <ul style="list-style-type: none"> <li>■ Improved efficacy</li> <li>■ Better quality of life for patient</li> <li>■ Lower health care system cost</li> <li>■ Increased/improved patient loyalty</li> </ul> |
|--|---|--|

### Gerresheimer to offer innovative solutions, for example

- Dose counters for inhalers
- Convenience for home care (compliance aid device: Duma® Twist-Off)
- Better usability (e.g. urinary catheter)

 **Attractive growth opportunities in Plastic Systems**

## Our unique set up makes us profit from growing need for devices

■ **FY 2011** ~35% of pharma and healthcare revenues

■ **Mid-term target** Mid to high single digit revenue growth

- **Strategy**
- Leverage our unique development, engineering and industrialization capabilities to win new customers
  - Expansion of product offering
  - Move deeper into the value chain

- **Opportunities**
- Patients willing to pay more for ease-of-use
  - 30% to 40% of medications in the approval pipeline are speciality drugs
  - Improved compliance reduces healthcare costs

## Conclusion: Gerresheimer stands to benefit from three major pharma trends

### Rise of emerging countries



### Generics trend



### New devices & growth in specialty pharma



# M&A: Expansion of our global footprint set to contribute additional growth opportunities

## Diversification



**Plastic Systems**

- Regional Diversification**
- Pharmerging countries
  - USA

- Product Diversification**
- Technology and process know how



**Tubular Glass**

- Regional Diversification**
- Pharmerging countries



**Moulded Glass**

- Regional Diversification**
- Pharmerging countries

## Criteria for potential acquisition targets

Proven industry expertise

- ➔ Expertise in primary pharmaceutical packaging
- ➔ Expertise in drug delivery devices

Performance excellence

- ➔ Market leaders in their niche
- ➔ Profitable companies

Managerial leadership

- ➔ Proven competence of Management

Pricing

- ➔ Target: Value creation for shareholders