

Capital Markets Day 2014

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GERRESHEIMER



...our most comprehensive product portfolio

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Capital Markets Day 2014

- **Our company**

- **Market dynamics**

- **Strategy**

- **Outlook**

- **Summary**

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.



Our Mission

We will achieve our vision by:

- understanding our customers and providing them with solutions to both their present and future needs
- living our commitment to excellent quality and continuous innovation
- leveraging our competence and technological leadership by acting as one global team
- becoming a preferred employer with highly motivated and passionate employees all over the world and, in so doing,
- expanding our global reach and creating profitable and sustainable growth



Customer-focused organization with three divisions

Group revenues in FY 2013: EUR 1,266m

Adjusted EBITDA in FY 2013 EUR 242.1m¹, adjusted EBITDA margin 19.1%¹



Plastics & Devices

Andreas Schütte

Revenues: EUR 561.6m
 adj. EBITDA: EUR 120.8m; ex Triveni¹: EUR 113.3m
 Margin: 21.5%; ex Triveni¹: 20.2%

Primary Packaging Glass

Uwe Röhrhoff

Revenues: EUR 635.4m
 adj. EBITDA: EUR 138.0m
 Margin: 21.7%

Life Science Research

Rainer Beaujean

Rev.: EUR 86.8m
 adj. EBITDA: 11.5
 Margin: 13.2%

¹ Excluding EUR 7.5m in other operating income from the fair value evaluation of the Triveni put option and excluding HQ costs of EUR 20.5m

Our business are high volume products

Syringes



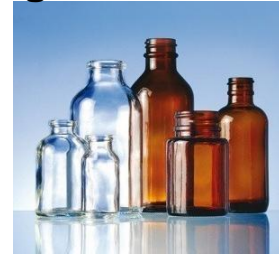
~ 400m pcs

Plastic bottles & caps



~ 4bn pcs

Pharma glass bottles



~ 2.5bn pcs

Cosmetics



~ 1bn pcs

Injection vials



~ 3bn pcs

Ampoules



~ 2bn pcs

Inhalers



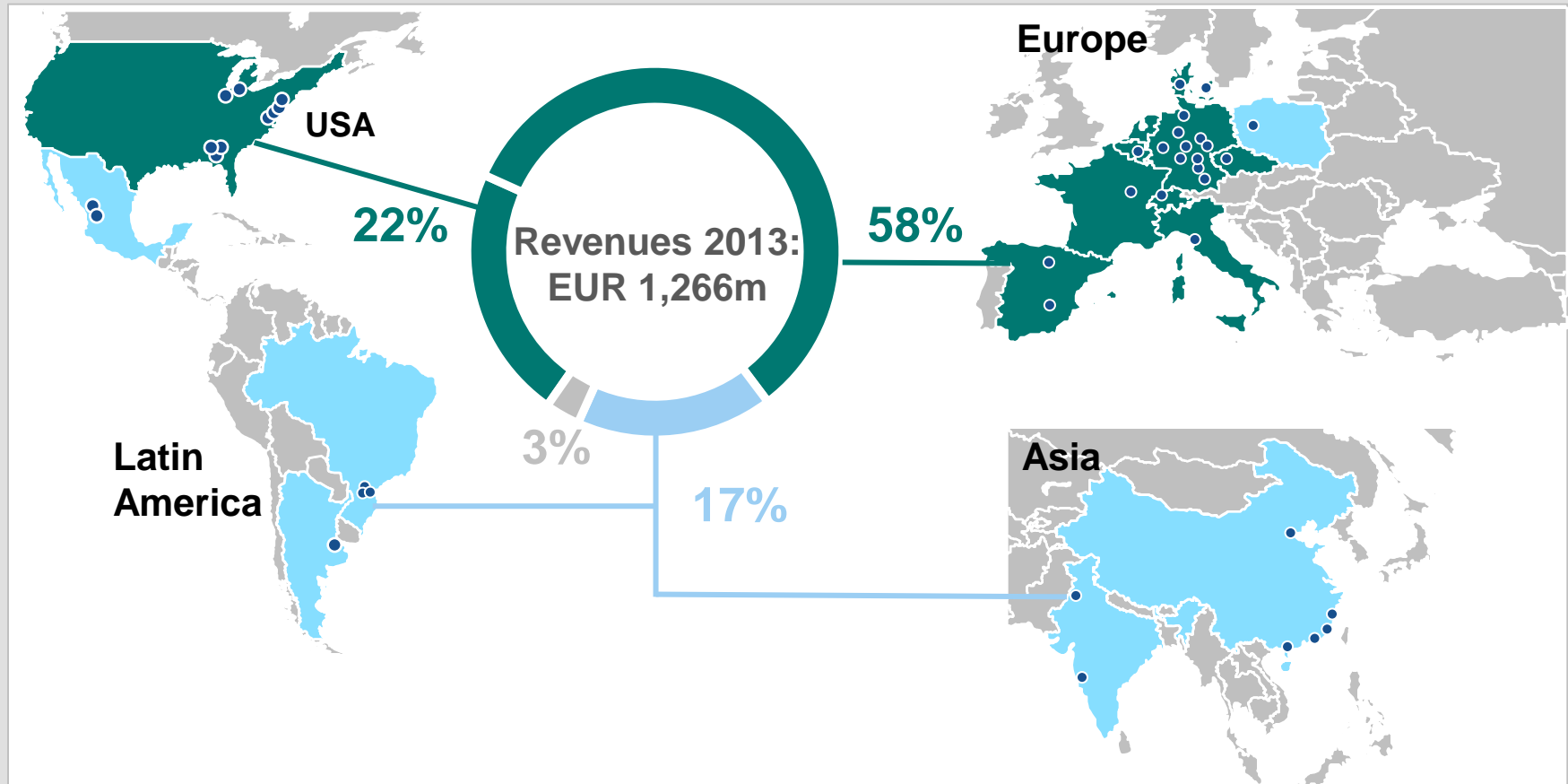
~ 100m pcs

Cartridges



~ 1bn pcs

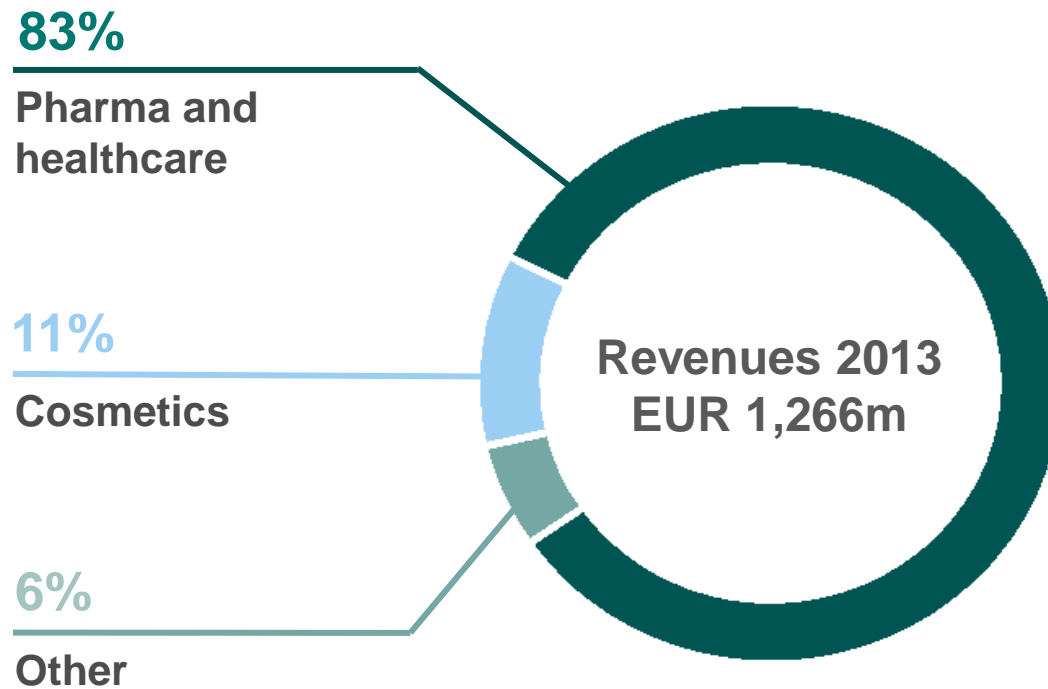
Global player with strong regional footprint



Regional footprint: More than 40 sites worldwide

■ Established markets
 ■ Pharmerging markets (IMS definition)
 ■ Others

Clear focus on pharma and healthcare



Well-diversified blue-chip customer base

Pharma and healthcare

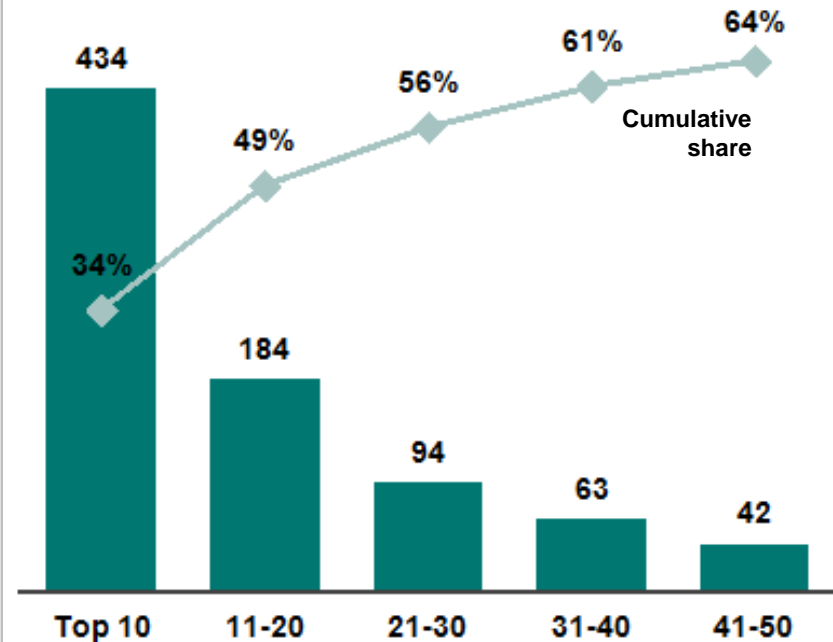


Other



Gerresheimer has close long-term relationships with leading global accounts...

Revenues generated with TOP 50 customers (FY 2013) in EUR m



...with limited dependence on individual customers

Our product portfolio for pharma and healthcare

- Leading international manufacturer for the global pharma and healthcare industry
- Pharmaceutical packaging solutions made of glass and plastic
- Primary packaging products as well as medical devices for storage, dosage and administration of drugs



Capital Markets Day 2014

- Our company

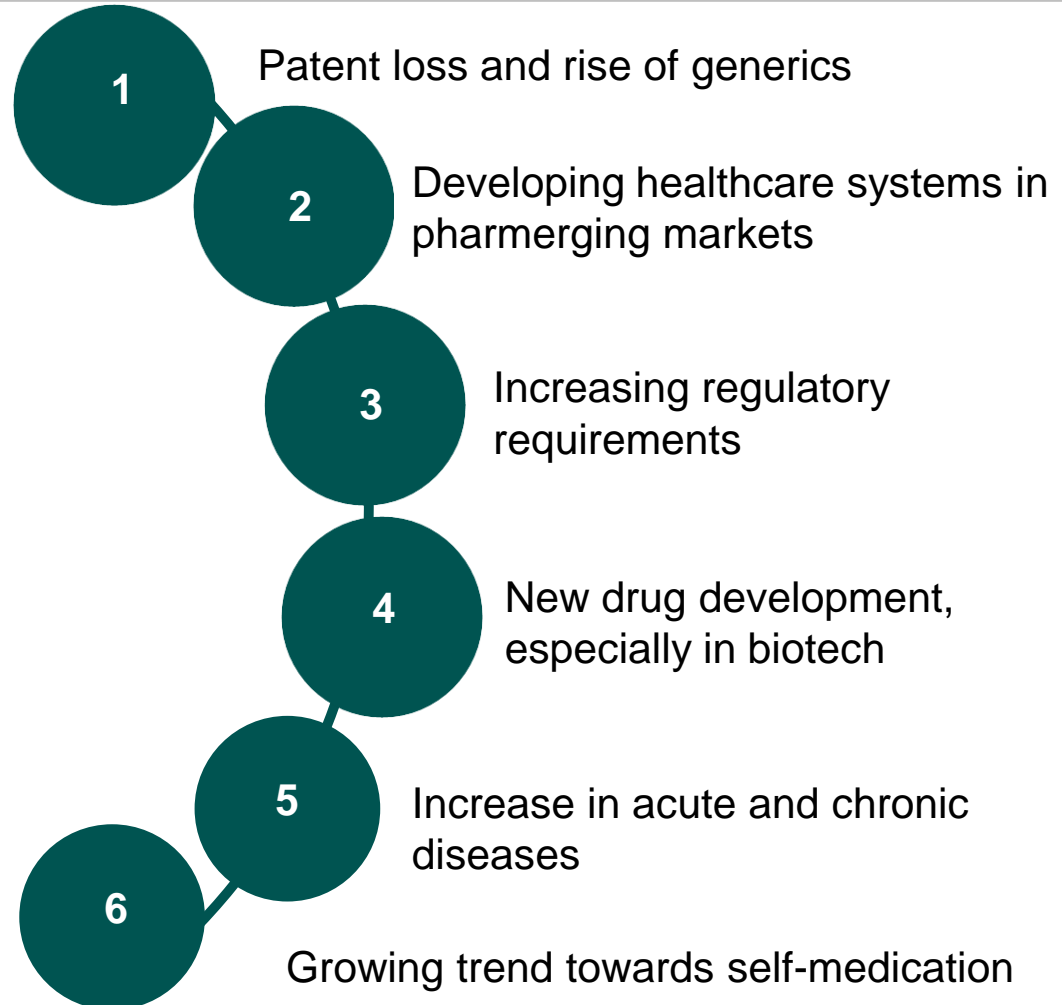
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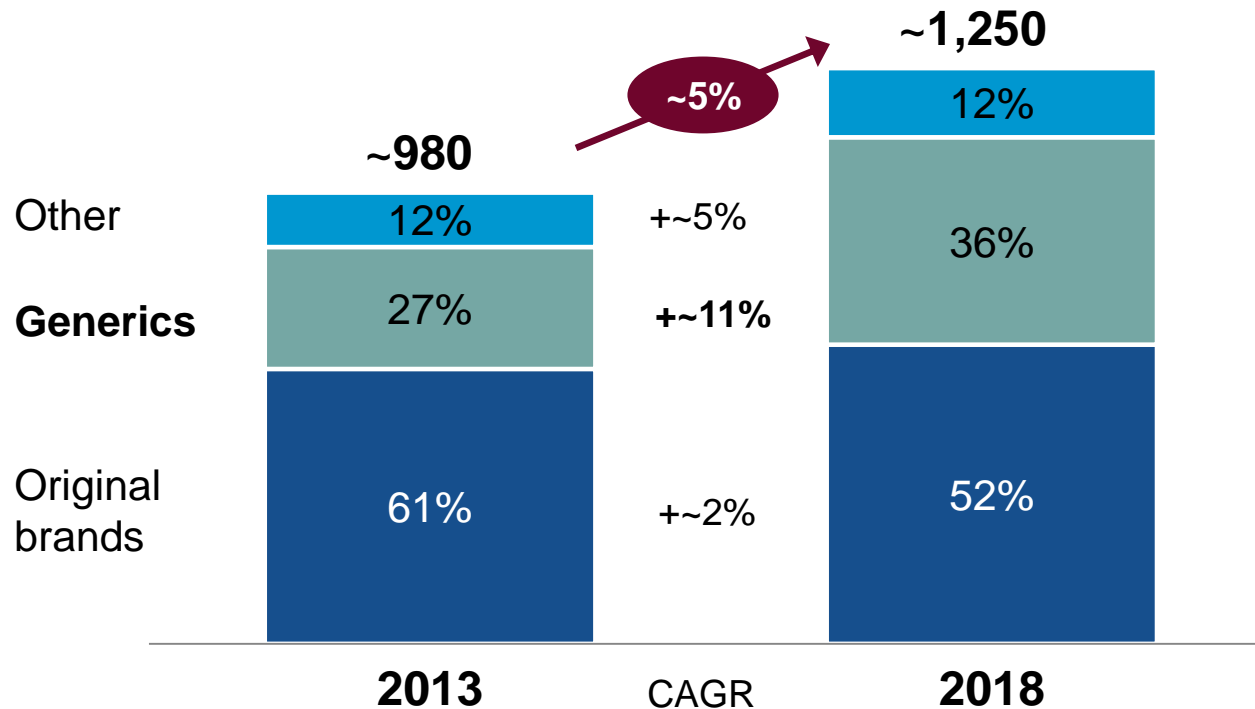
We address megatrends in pharma and healthcare – life expectancy and worldwide population on the rise



Generics – major driver of pharma growth

Trend 1) Rise of generics

Global pharma spending by segments (USD bn)

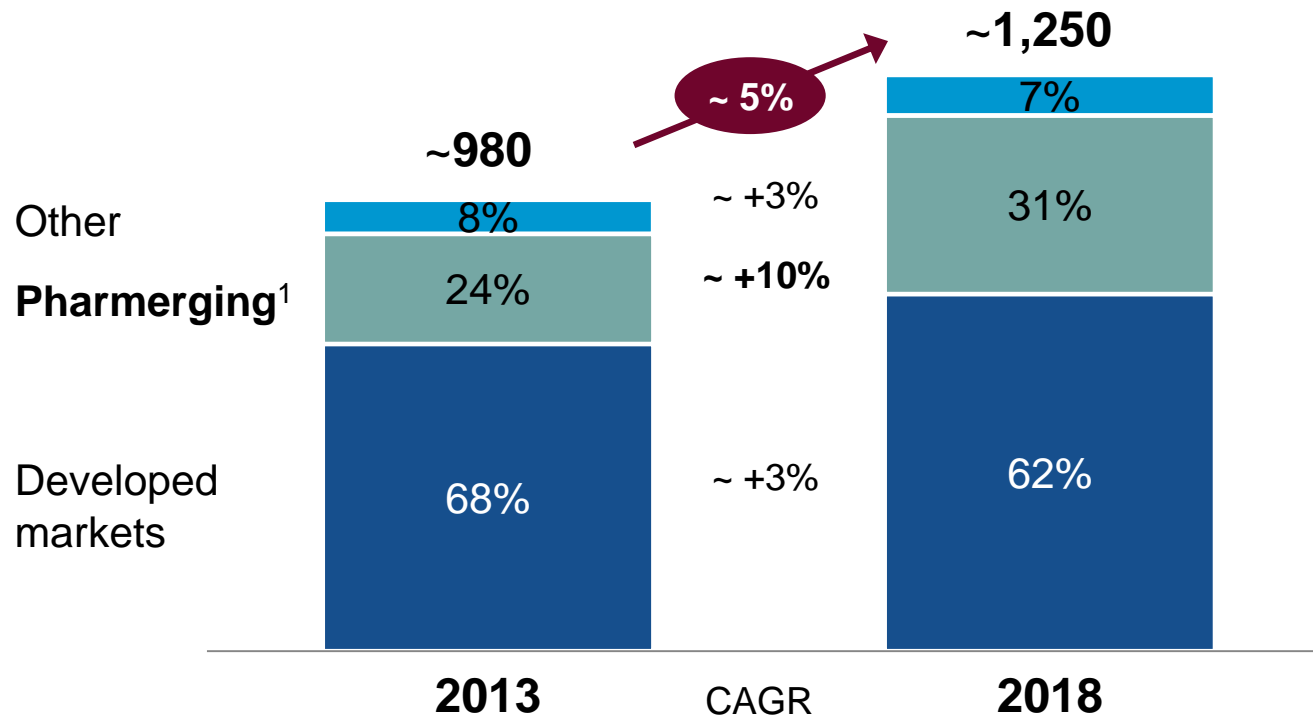


Source: Company estimates with reference to IMS, March 2014 and November 2013

Pharmerging markets drive pharma growth

Trend 2) Developing healthcare systems

Global pharma spending by region (USD bn)



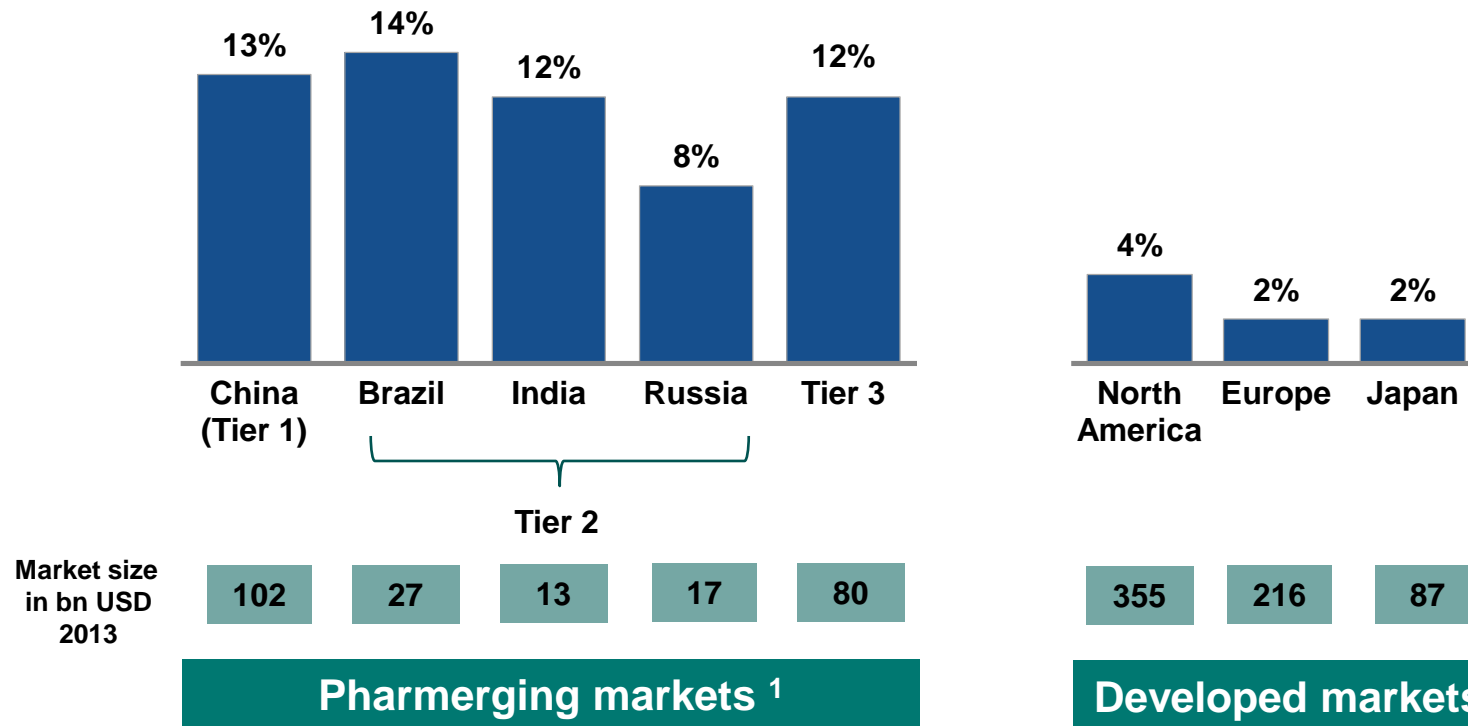
¹ IMS definition Pharmerging: Tier 1: China; Tier 2: Brazil, India, Russia; Tier 3: Argentina, Egypt, Indonesia, Mexico, Pakistan, Poland, Romania, South Africa, Thailand, Turkey, Ukraine, Venezuela, Vietnam

Source: Company estimates with reference to IMS, March 2014

Pharmerging markets are estimated to outperform growth rates of the developed markets

Trend 2) Developing healthcare systems

Growth rates global pharma market 2013-18 (CAGR)



¹ IMS definition Pharmerging: Tier 1: China; Tier 2: Brazil, India, Russia; Tier 3: Argentina, Egypt, Indonesia, Mexico, Pakistan, Poland, Romania, South Africa, Thailand, Turkey, Ukraine, Venezuela, Vietnam
 Source: Company estimates with reference to IMS, March 2014

Increased FDA scrutiny has led to higher quality requirements for pharma suppliers

Trend 3) Increasing regulatory requirements

Regulatory scrutiny for our customers

- Manufacturers of sterile injectable drugs subject to rigorous FDA inspection
- Violations of manufacturing rules in recent years, e.g. bacterial contaminations, overfilling, rusty equipment, infestations
- Generic companies most affected
- FDA warning letters and product recalls increasing
- Costly programs to fix problems

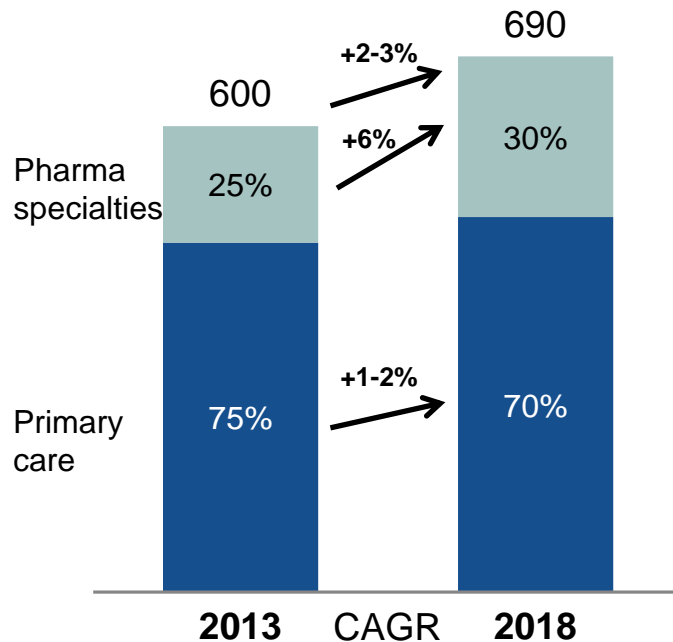
Increased quality requirements for suppliers

- From “accepted quality limit” to “parts per million”
- Zero defect manufacturing processes
- Excellent inspection systems
- Documentation efforts increasing
- New quality requirements beyond current standards (examples)
 - Delamination-resistant (injectables)
 - Scratch-free
 - No glass breakage
 - Reduced silicone contents
- Innovative solutions required

60% of drugs in pipeline are pharma specialties

Trend 4) New drug development

Developed market by type of medicine (USD bn)



Definition pharma specialties*

- Based on biotech
- Parenteral application
- Specialist treatment
- Treatment of chronic diseases
- Special handling required
- High price



Disease areas (by size)

- Oncology
- Autoimmune diseases
- HIV
- Multiple sclerosis
- Other



Source: Company estimates with reference to IMS, March 2014

* At least 4 criteria must be fulfilled

Strong growth prospects for devices

Trend 4) New drug development

Characteristics of specialty pharma

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



Opportunities for Gerresheimer

- High-quality syringes, vials and cartridges made of glass or cyclic olefin polymers
- Need for safety devices, pens and auto-injectors
- Demand for multi-material solutions



Prevalence of acute and chronic diseases Example: our products help treat diabetes

Trend 5) Growth of chronic diseases

Products for safe drug dosage & administration

Medical devices for treatment:

- insulin pens
- lancets
- lancing devices

Main causes:

- unhealthy lifestyle



Market growth diabetes



Today: 350m people affected



2035e: 600m people affected

Source: International Diabetes Foundation

Acute and chronic diseases grow Example: our products help treat COPD*

Trend 5) Growth of chronic diseases

Products for safe drug dosage & administration

Medical devices for treatment:

- inhalation device

Main causes:

- rising pollution
- unhealthy lifestyle
- obesity, smoking



COPD = chronic obstructive pulmonary disease

Market growth asthma



Today: 300m people affected



2025e: 400m people affected

Source: Medical Institute of New Zealand, Wellington NZ; University of Southampton, UK

Self-medication presents attractive growth opportunities

Trend 6) Growth of self-medication

Challenge for pharma industry

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

Devices are a critical value driver

- Design
- Usability
- Discretion
- Portability



- Improved efficacy
- Better quality of life for patient
- Lower health care system costs
- Increased/improved patient loyalty

We offer innovative solutions, e.g.



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- Our company

- Market dynamics

- **Strategy**

- Outlook

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Strategy is geared towards growth and global leadership

Organic growth

- Base growth: existing customers and regions
- New products for existing customers
- New regions and customers

Growth through acquisitions

- Extension of product offerings/technology
- Extension of geographic footprint
- Consolidation/scale

- Pharma and healthcare
- Global market leadership positions

Plastics and Devices (P&D): Leading in Europe – growing foothold in pharmerging countries

Products for safe drug dosage & administration



- Inhalers
- Insulin pens
- Glass syringes
- Diagnostic systems
- Pharma plastic bottles
- Caps and dosage systems

- Customized products
- All types of basic plastics containers for solid or liquid drugs
- Current demand mainly from established markets

Market positions

	Inhalers (DPI) ¹	Plastic Packaging	Diabetes Diagnostics ²	Pens	Syringe Systems
Europe	# 1	# 1	# 2	# 2	# 2
North America	# 1				# 2
Pharmerging Markets		# 1 (South America and India)		# 1 (South America)	

- Strong portfolio
- Leading market positions
- Global production network
- Full service provider

¹ DPI = Dry Powder Inhaler // ² Includes lancets and lancing devices only

P&D: Most comprehensive portfolio in the market

Competitive structure

Product	Inhalers	Plastic Packaging	Diabetes Diagnostics ²	Pens	Syringe Systems
Gerresheimer	✓	✓	✓	✓	✓
Schott					✓
Becton Dickinson ¹		✓	✓		✓
Nipro ¹		✓			✓
Ompi					✓
Jabil Circuit (Nypro) ¹	✓	✓	✓	✓	
Consort Medical ¹	✓				
West Pharma ¹				✓	
Nemera	✓			✓	
Berry Plastics ¹		✓			
Facet			✓		
Ypsomed ¹				✓	
Rocco Bormioli		✓			

¹ Public company // ² Includes lancets and lancing devices only

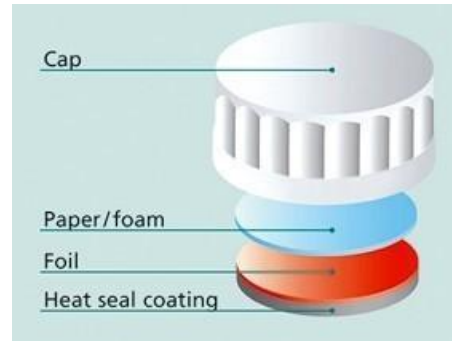
Strengths

- Market-leading positions
- Product innovation
- Excellent industrialization competence
- Global production network
- Highly efficient production sites

Innovation example: Duma® OneLiner®

Duma® Twist-Off Containers with unique closure solution for US and EU

- A unique solution for plastic packaging of solid drugs in the US and EU
- A single product for one customer filling line for very different markets
- Compliant with all relevant pharmaceutical regulatory requirements



Innovation example: MultiShell® vials

MultiShell® vials combining our glass and plastics expertise

- Unites best properties of plastic and glass in a new high performance packaging for liquid medications
- Three layers – three functions
 - Inner layer secures lowest level of drug-container interaction
 - Middle layer responsible for the improved barrier and break resistance
 - Outer layer protects inner layers and has glass-like transparency
- Ideal packaging for cytotoxic / biotech parenteral drug solutions



Innovation example: Gx RTF[®] 4

New generation of Ready-to-Fill Syringes with enhanced production technology

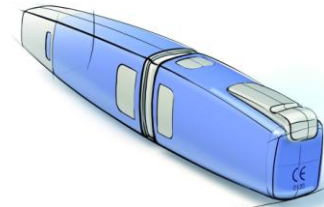
- No glass-to-glass contact
- Lower reject rates in final vision control after filling
- Different assembly possibilities for higher flexibility
- Constant syringe functionality
- Enhanced overall product cleanliness
- Fulfillment of future and current regulatory requirements regarding washing process efficiency
- Optimum processability on filling lines
- Constant quality of in-process controls



Innovation example: Autoinjector

Combining our development expertise, glass and plastics know-how

- Increasing number of applications for self-medication with autoinjectors, e.g. autoimmune diseases, emergency medication, allergic shocks
- Combines a syringe system with a medical plastic system
- Pharmaceutical assembly inhouse
- Intelligent enhancements for increased functionality of cartridges or glass syringes in an autoinjector



Technical & industrialization competence drives business success

TCC Germany



TCC USA



TCC

Industrialization

Production



Develop-
ment



Tooling



Automation



Production
of parts



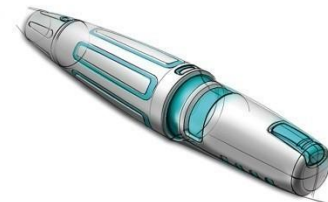
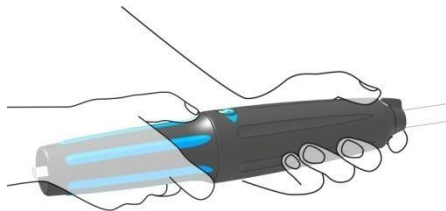
Product
refinement



Assembly /
Packaging

Selected pipeline projects with new devices

Expected launch		Project	Production location	Customer
2014	Q3 Q3 Q3	<ul style="list-style-type: none"> • Lancing • Inhaler • Inhaler 	Pfreimd (Germany) Horsovsky Tyn (Czech Republic) Kuessnacht (Switzerland)	Big pharma Big pharma Big pharma
2015		<ul style="list-style-type: none"> • Inhaler • Inhaler 	Pfreimd (Germany) Peachtree (US)	Big pharma Big pharma
2016		<ul style="list-style-type: none"> • Lancing • Inhaler • Inhaler • Patch pumps 	Pfreimd (Germany) Pfreimd (Germany) Horsovsky Tyn (Czech Republic) Peachtree (US)	Big pharma Big pharma Big pharma Big pharma



Innovation example: competitive advantage by offering the complete development process out of one hand

Small batch production in the Technical Competence Center

- Complete process from customer idea to small series production within the Technical Competence Center
- High speed and flexibility in development of projects increase our attractiveness to customers



Innovation example: prefillable syringes made of plastics

COP as an alternative material for specialized applications

- Glass-like transparency
- Integrated luer lock
- Reduced particle load
- No tungsten residuals
- Break resistance
- Customization
- No glue residuals with needle syringes



For specialized biotech drugs, cyclic olefin polymer syringes can be an additional offer

Innovation example: pharma bottles and caps for preservative free drugs

Intelligent packaging solutions can support new drug development

- Today: preservatives in liquid drugs, i.e. eyedroppers, with multiple side effects
- Elimination of preservatives in eye drops requires new systems
- New dropper and closure solutions need to be developed



Primary Packaging Glass (PPG): leading global market positions

Storage and transport of liquid and solid drugs



- Ampoules
- Vials
- Cartridges
- Pharma glass bottles

- Classic primary pharmaceutical packaging
- All types of glass primary packaging
- Worldwide demand, growing market in pharmerging countries

Market positions

	MG Pharma	Ampoules, vials, cartridges	Tubing
Europe	# 2	# 3	# 2
North America	# 1	# 1	# 1
Pharmerging Markets	# 2 (India)	# 1 (China)	

- Leading global market positions
- Gold standard products for established markets and pharmerging countries

PPG: broadest pharma glass portfolio in the industry

Competitive structure

Product	MG Pharma (Type I)	OTC Liquids and syrups (Type II & III)	TG Injectables	Glass Tubing
Gerresheimer	✓	✓	✓	✓
Schott			✓	✓
Nipro ¹			✓	✓
Ompi			✓	
Desjonquères	✓	✓		
Rocco Bormioli	✓	✓		

¹ Public company

Strengths

- Leading market positions
- Proprietary technologies
- Specialized process know-how
- Low-cost production sites in China, Mexico and India
- Labor and machine productivity key to success

PPG: key initiatives to improve cost and quality position

■ Ampoules, vials, cartridges

- Standardization of production processes to improve cost and quality position
- New greenfield production site in Kosamba (India)
- Innovations in strengthening and inspection

■ Tubing

- Standardization of processes and technology in two plants (US and Italy)
- Development of pharmaceutical packaging drives process and product development in tubing

■ Moulded Glass pharma

- US 2015: investment in newest technology to produce moulded glass containers for parenterals
- Kosamba (India): continuous capacity increase and upgrade of manufacturing technologies to Western standards



Innovation example: scratch-free and strengthened primary packaging made of glass

Example for supporting increasing regulatory requirements and new drug development

- Scratch-free glass production
- Increased load force strength
- Reduced delamination risk
- Enhanced scratch resistance
- Much higher customer filling line efficiency
- Meets highest cosmetic and dimensional requirements



Cosmetic glass ideal supplement to pharma

Products (examples)

- Cream jars
- Perfume bottles
- Deo roll-on



Market segment: masstige market

Business set up

- Focus on industrial supply of top cosmetic customers
- Most efficient use of furnace capacities
- High-margin business with decoration as an essential business driver

Trends 2015-2018

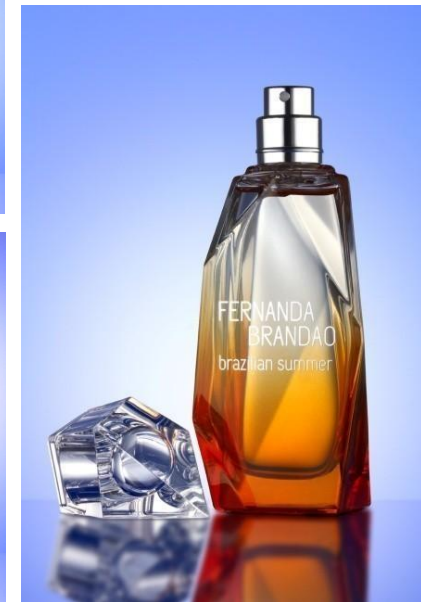
- Increasing annual income per capita to drive cosmetics consumption
- Per capita cosmetic spending:
 - EUR 20 p.a. in pharmerging markets
 - EUR 100 p.a. in established markets
- Innovation remains key driver
- Solid growth in cosmetic glass market: CAGR 2014-2018 about 3%¹

¹ Company estimates

Innovation example: cosmetic glass

Adding value to high-end cosmetic glass

- 130 new products every year
- Full-service supplier with broad expertise
- Cutting edge decoration technologies: printing, acid etching, hot foil stamping, spraying and metallization



Life Science Research: strong presence in North America

Products (examples)

- Laboratory glassware
- Disposable
- Reusable



Market positions and competitive structure

- Market leader in the US
- Main competitors: Corning (US), Duran (Europe)
- Low single digit market growth¹

Business setup

- Joint venture with Thermo Fisher
- Gerresheimer has 51%

Strengths

- Two major low-cost production locations in Mexico and China
- Stable provider of cash flows

¹ Company estimates

Strategy is geared towards growth and global leadership

Organic growth

- Base growth: existing customers and regions
- New products for existing customers
- New regions and customers

Growth through acquisitions

- Extension of product offerings/technology
- Extension of geographic footprint
- Consolidation/scale

- Pharma and healthcare
- Global market leadership positions

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

Diversification



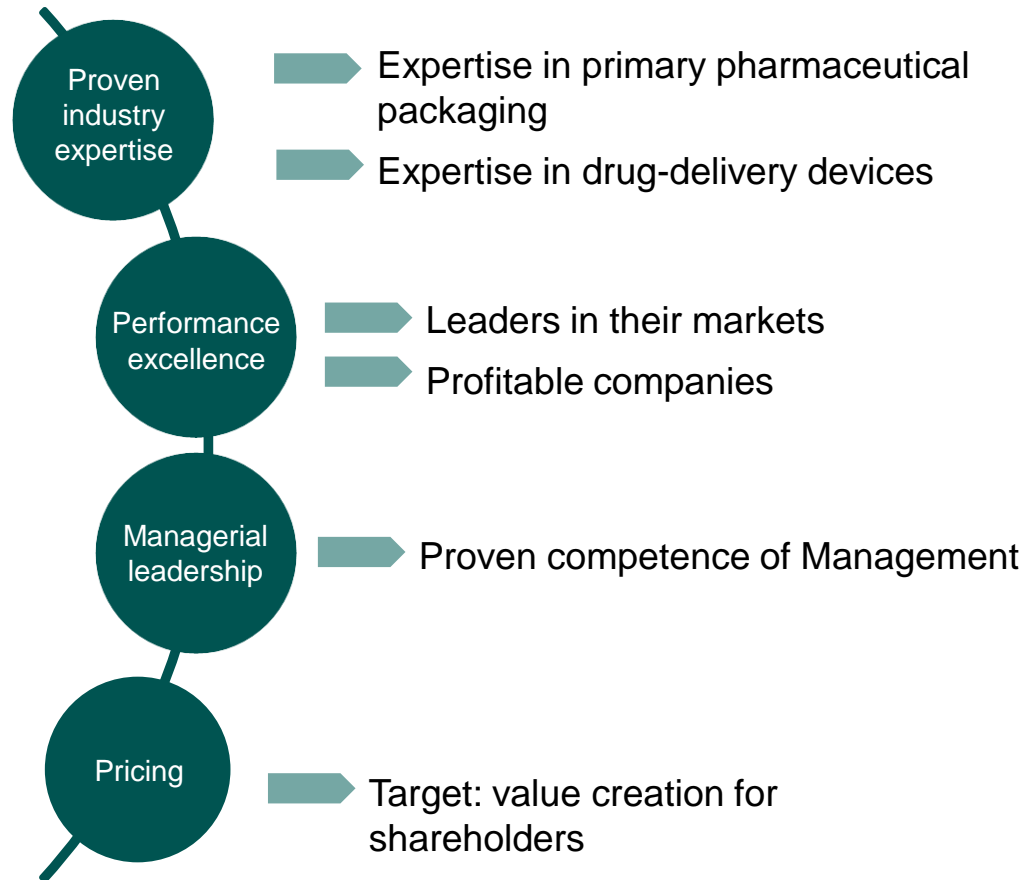
- Regional diversification
- Pharmerging countries
 - USA

- Product diversification
- Technology and process know-how



- Regional diversification
- Pharmerging countries

Criteria for potential acquisition targets



M&A track record: 11 successful acquisitions since 2005

Year	Company	Country	Revenues ¹	Division
2012	Triveni	India	EUR 20m	Plastics & Devices
2012	Neutral Glass	India	EUR 15m	Primary Packaging Glass
2011	Vedat	Brazil	EUR 45m	Plastics & Devices
2008	Allplas	Brazil	EUR 16m	Plastics & Devices
	EDP	Spain, Argentina	EUR 32m	Plastics & Devices
2007	Wilden	Europe	EUR 247m	Plastics & Devices
	Comar Glass	US	USD 24m	Primary Packaging Glass
2006	Beijing Wheaton	China	EUR <10m	Primary Packaging Glass
	Shuangfeng	China	EUR <10m	Primary Packaging Glass
2005	Dudek Plast	Denmark	EUR 45m	Plastics & Devices
	Glass Group	US	USD 44m	Primary Packaging Glass

¹ At the time of acquisition

Six successful divestments to streamline and focus the business

Year	Company	Country	Revenues ¹	Division
2014	Beijing Gerresheimer Glass Co. Ltd.	China	EUR <15m (associated company, holding was 45.7%)	Primary Packaging Glass
2012	Kimble Bomex Glass Co. Ltd.	China	EUR <10m	Life Science Research
2009	Technical Plastics business	Europe	EUR 74m	Plastics & Devices
2008	Consumer Healthcare business	Europe	EUR 24m	Plastics & Devices
2008	Aluminum Packaging business	Europe	EUR <5m	Plastics & Devices
2006	Verretubex	France	EUR 11m	Primary Packaging Glass

¹ At the time of disposal

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■ Market dynamics

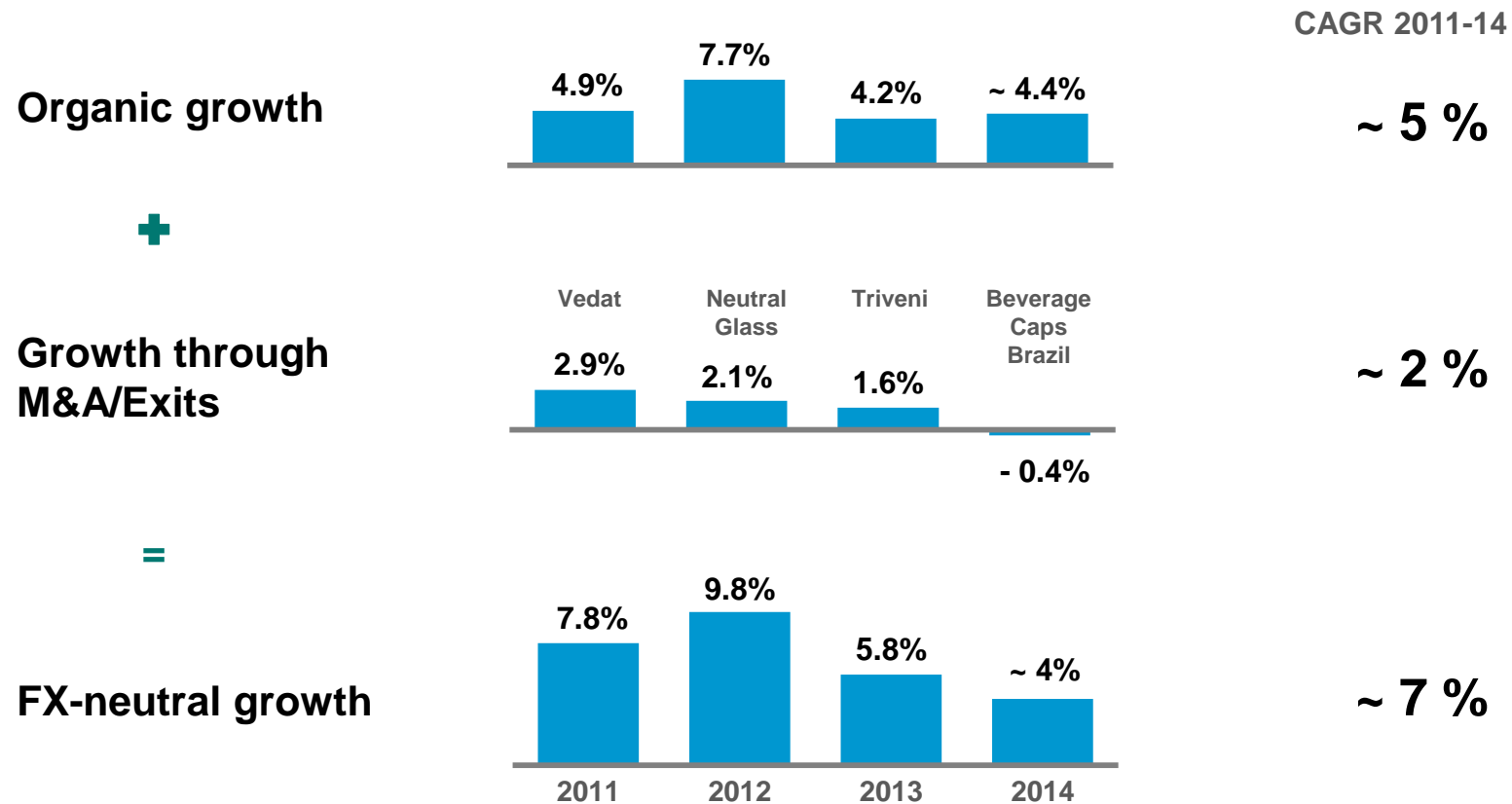
■ Strategy

■ Outlook

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Strong organic growth supplemented by M&A

Growth rates group 2011 - 14



Further specification of FY 2014 Guidance¹

Revenues

App.+4% at const. FX

Adj. EBITDA

App. EUR 255m to EUR 258m
at const. FX

Capex

9% to 10% of revenues
at const. FX

¹ Based on (budgeted) exchange rate assumption for FY 2014 of EUR 1.00 = USD 1.30

Initial indication FY 2015

- **Key actions in FY 2015 and FY 2016 to support mid-term targets**
 - Streamlining of portfolio
 - Standardization of technology to further optimize cost position
 - Increase of capacity (Peachtree City (US), Horsovsky Tyn (CZ), Chicago Heights (US) and Kosamba (India))

- **Initial FY 2015 indication will be firmed up with FY 2014 results (Feb 11, 2015)**
 - Revenue growth: 1% to 3% (organic growth, at const. FX) driven by key actions 2015
 - Adjusted EBITDA: up to EUR +10m
 - Capex 9% to 10% of revenues at const. FX
 - Average net working capital 2015: ~18.5% of revenues

Mid-term outlook (FY 2016-2018)

Financials

- Revenue growth: 4% to 6% CAGR (organic growth, at const. FX)
- Adjusted EBITDA margin: uplift towards 21%
- Capex 9% to 10% of revenues at const. FX
- Average net working capital approximately 18% of revenues
- Operating cash flow margin uplift above 10%

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Summary: key takeaways

- Our mid-term strategy is based on profitable growth
 - First indication for FY 2015: consolidation and laying the foundation
 - FY 2016 – 2018: growth and harvest

- We act in growing markets

- We have a strong pipeline for innovative devices

- We invest in order to leverage key trends in geographics, pharma and healthcare
 - We are increasing our footprint in the pharmerging markets
 - We standardize our production technologies
 - We globally provide the same quality standards to our customers

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.



Q&A

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Our success is driven by the passion of our people.

