

**GERRESHEIMER**



# Q2 2020 Earnings Presentation

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Duesseldorf, July 14, 2020

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# Agenda

- 1 Operational Update: On Track**
- 2 Financial Update: Growth accelerating
- 3 Outlook: The Day after Tomorrow

# On Track: We Deliver on Our Promises

## Key Take Aways Q2 2020

- Strong performance in Q2: accomplishing growth mode despite Covid-19
- Financial highlights in Q2
  - ▢ Revenues of EUR 363m
  - ▢ Organically +4.6% in core business<sup>1)</sup>
  - ▢ Adjusted EBITDA of EUR 84m, EBITDA margin 23.2%
- Strong free cash flow in Q2: EUR 45m representing strong earnings quality
- AGM approved dividend payment: EUR 1.20 per share



1. The core business consists of the Plastics & Devices and the Primary Packaging Glass Division; for adjusted EBITDA purposes also including head office/consolidation.

# Reliable Business Partner – Also in Challenging Times

## Covid-19 Update

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- 1 More than Business Continuity**  
Looking beyond Covid-19, we are preparing for the day after tomorrow
  - 2 Long-term tailwind** due to global increase in vaccinations as well as higher adherence for healthcare products
  - 3 One-time effect in parts of our cosmetics business**  
Recovery expected within the next months
- 



# Promising Growth Prospects in Vials

## The Vials Story

**Short & mid term**

### Tailwind from global Covid-19 vaccination possible:

- Facing the global pandemic:  
We support any Covid-19 vaccine campaign in close cooperation with our customers
- Expansion of global vials market translating into possible sales tailwind in 2021/2022
- Investments in additional volumes brought forward

### Growth in vials supported by Gx<sup>®</sup> Elite Glass

- Highest quality product increasing filling speed up to 25%
- Reduced total cost of ownership for our customers
- First significant sales effects in 2020

**Long term**

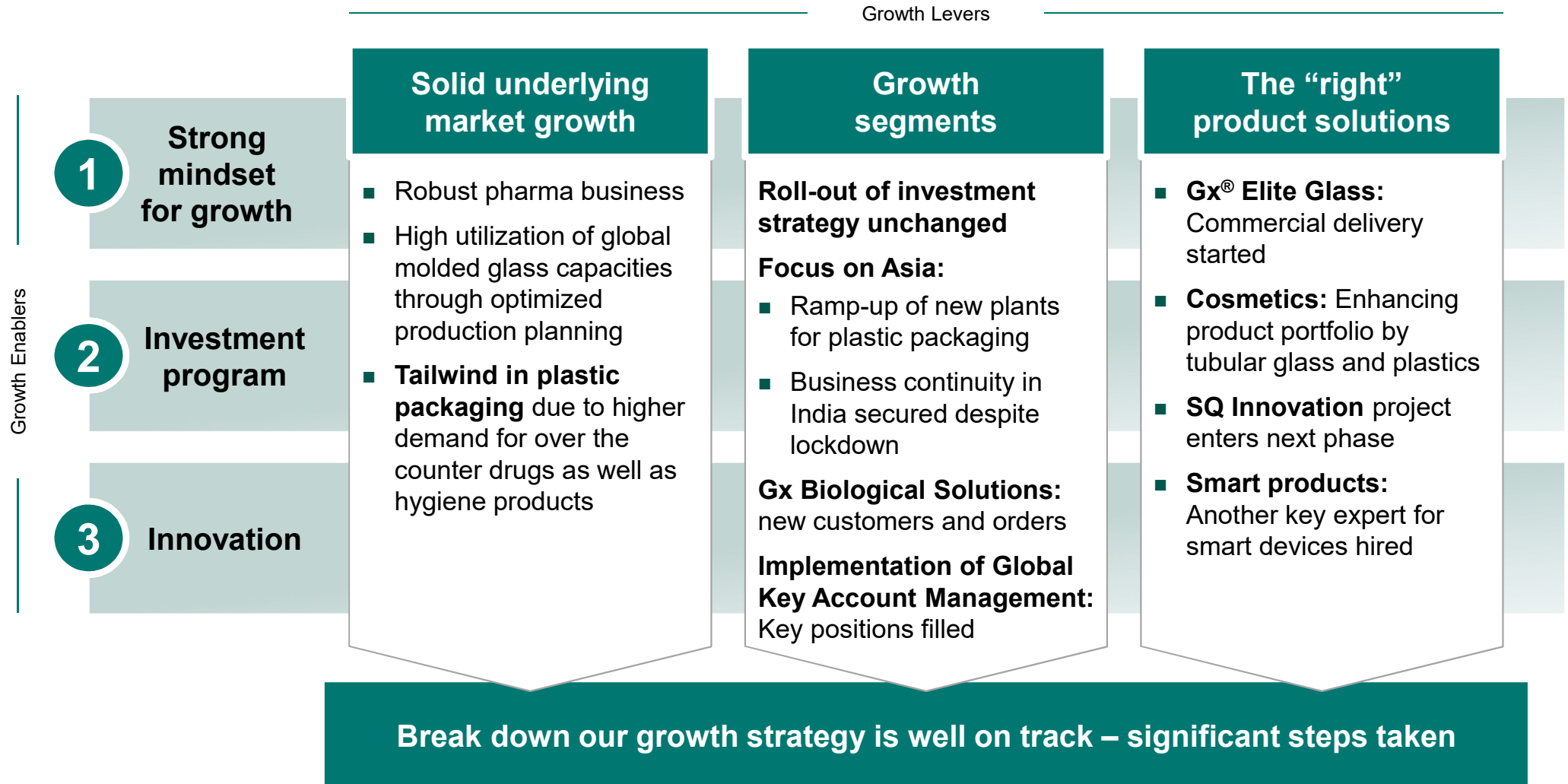
### Gx<sup>®</sup> RTF vials as long-term growth accelerator

- Ready-to-fill: immediate filling at the customers
- Moving up the value chain enhancing customers' benefits



# Translating Gx Strategy into Profitable Growth

## Q2 Initiatives to Drive Growth Levers



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# Q2 2020 – Growth Mode turning in

## P&L Overview

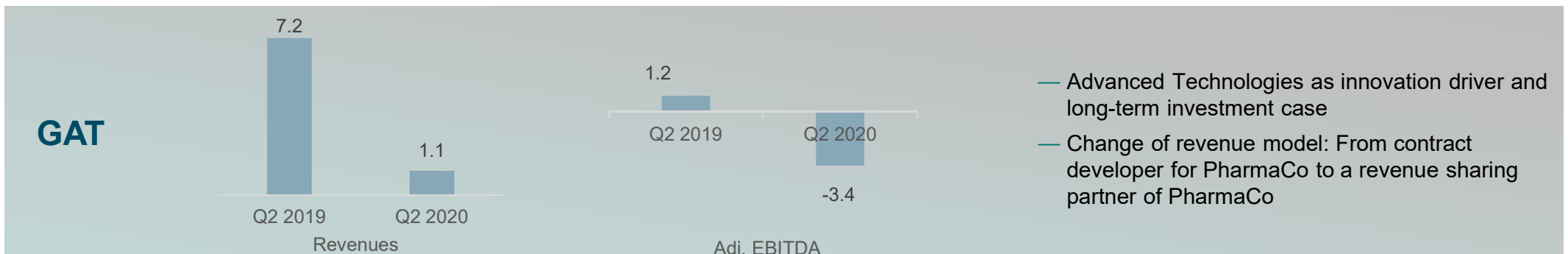
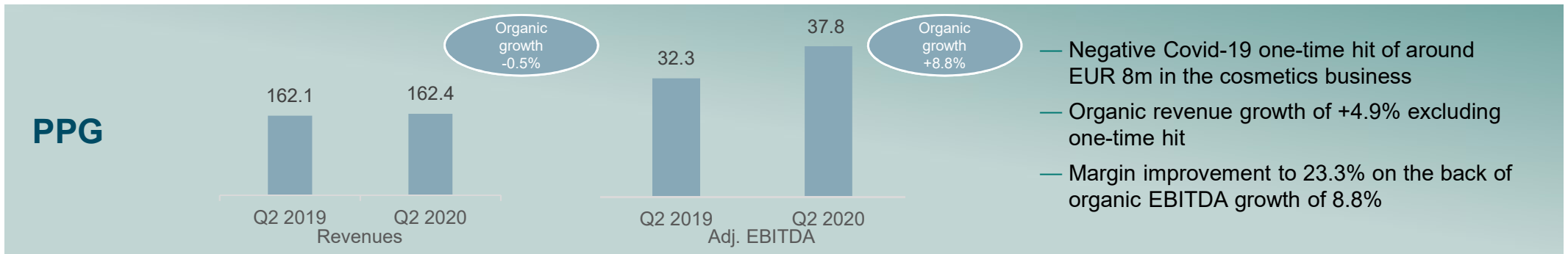
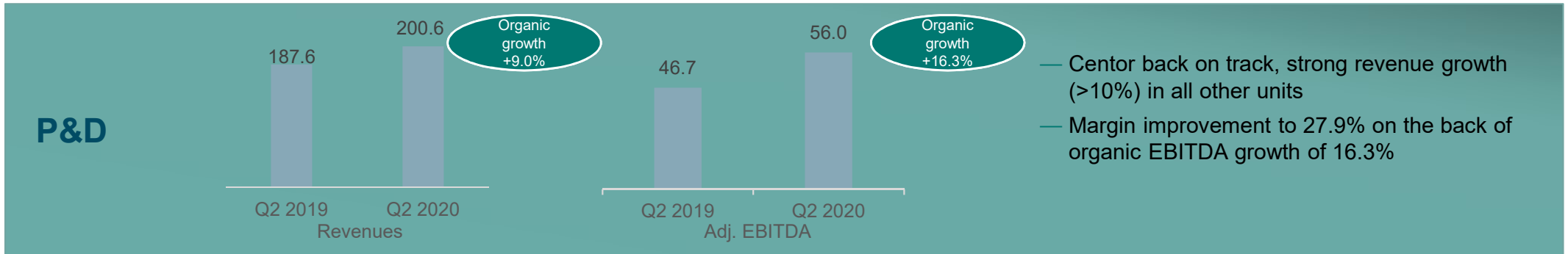
(EUR m)	Q2 2020	Q2 2019	YoY	Analysis
<b>Revenues</b>	<b>362.9</b>	<b>356.5</b>	<b>+2.6%<sup>2)</sup></b>	Strong Organic growth of +4.6% in core business despite Covid-19 one-time hit in cosmetics business  Profitability increase due to strong core business performance; excellent organic growth of +13.7% in core business
<b>Adj. EBITDA</b>	<b>84.2</b>	<b>74.2<sup>1)</sup></b>	<b>+6.9%<sup>2)</sup></b>	
One-off effects	-4.5	-1.6		Due to lower fair value amortization
<b>EBITDA</b>	<b>79.7</b>	<b>72.6<sup>1)</sup></b>		
Depreciation, amortization & impairment	-33.3	-37.4		
Net finance expense	-5.6	-6.3		
Income taxes	-11.3	-8.0		
<b>Net income</b>	<b>29.5</b>	<b>20.9<sup>1)</sup></b>		
Adjustment	8.2	12.2		
<b>Adj. net income</b>	<b>37.7</b>	<b>33.1<sup>1)</sup></b>		
<b>Adj. EPS</b>	<b>1.18</b>	<b>1.04<sup>1)</sup></b>	<b>+13.5%</b>	

1. Excl. EUR 26.2m other operating income in connection with the derecognition of contingent purchase price components connected to the acquisition of Sensile Medical.
2. Organically, adjusted for exchange rate effects and acquisitions and divestments as well as regarding Adj. EBITDA excluding the effects from the first-time application of IFRS 16.

# Robust Core Business: Growth despite Covid-19

## Q2 2020 Divisions

EUR m



# Strong Outperformance in Free Cash Flow

## Cash Flow in Q2 2020

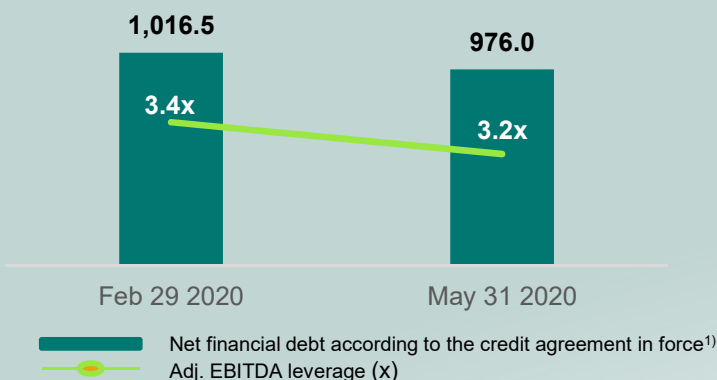
(EUR m)	Q2 2020	Q2 2019	Change	Analysis
<b>Adjusted EBITDA</b>	<b>84.2</b>	<b>74.2<sup>1)</sup></b>	<b>+10.0</b>	Driven by strong core business
Change in net working capital	6.1	-16.7	+22.8	Supported by factoring
Capex	-30.7	-28.4	-2.3	
Net interest paid	-3.0	-3.2	+0.2	
Net taxes paid	-1.8	-9.4	+7.6	Tax refund in Germany
Pension benefits paid	-3.0	-2.5	-0.5	
Other	-6.8	-10.8 <sup>1)</sup>	+4.0	
<b>Free Cash Flow before M&amp;A</b>	<b>45.0</b>	<b>3.2</b>	<b>41.8</b>	

1. Excl. EUR 26.2m other operating income in connection with the derecognition of contingent purchase price components connected to the acquisition of Sensile Medical.

# Leverage decreased – Financial Flexibility increased

## End of Q2 2020: Financial Status

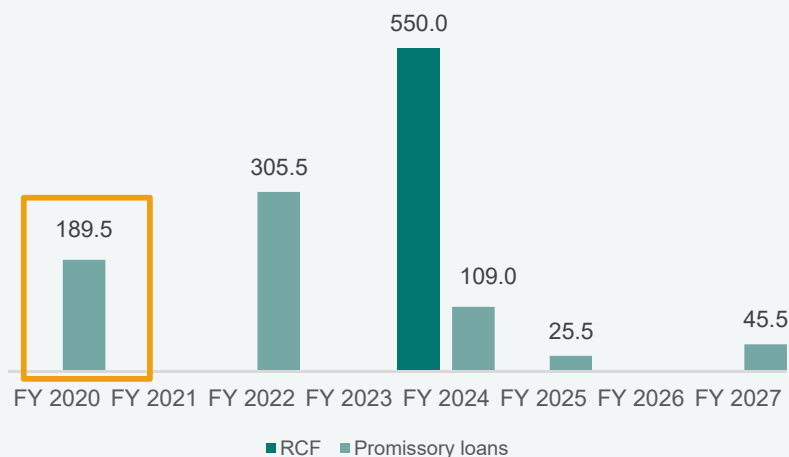
### NET FINANCIAL DEBT AND ADJ. EBITDA LEVERAGE



### NET FINANCIAL DEBT ACCORDING TO CREDIT AGREEMENT IN FORCE<sup>1)</sup>

In EUR m	Feb 2020	May 2020
Revolving credit facility	369.6	360.2
Promissory loans (2017)	250.0	250.0
Promissory loans (2015)	425.0	425.0
Local borrowings	42.7	33.1
Installment purchase liabilities	1.6	1.7
Cash and cash equivalents	(72.4)	(94.0)
<b>Net financial debt according to credit agreement in force<sup>1)</sup></b>	<b>1,016.5</b>	<b>976.0</b>

### EXPIRY DATE MAIN FACILITIES



### BRIDGE FINANCING SECURED

- 2Y-Bridge loan agreement signed on April 22, 2020 securing repayment of promissory loan of EUR 189.5m due in November 2020
- High flexibility and headroom for refinancing

1. Without lease liabilities

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# Accelerating Growth

## Outlook 2<sup>nd</sup> Half 2020

### P&D

- Running on schedule with mid-single digit growth
- Production start of Skopje plant in summer 2020

### PPG

- Mid-single digit growth
- Recovery of cosmetics business
- Preparing for capacity increase in vials

### GAT

- Exploration of further technologies, opportunities and new projects
- SQ Innovation project enters new phase

# Guidance confirmed

**At Group level (FXN)**

	<b>FY 2020</b>	<b>Mid-term</b>
<b>Revenue Growth</b>	Mid-single digit growth	Mid-single digit growth
<b>Adjusted EBITDA</b>	~21% <sup>1</sup>	~ 23%
<b>Capex (% of revenues)</b>	~ 12%	8 - 10%

1. Including a positive effect of EUR 9m to EUR 11m from the transition to IFRS 16.

## Focus on Growth



Q2 2020: Core business on track

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We are prepared for the time after Covid-19 securing additional sales opportunities and implementing lessons learned

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**Gerresheimer long-term profitable growth journey has successfully started**

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## Next Events

### Financial Reporting

October 13, 2020:

Publication 3<sup>rd</sup> Quarter Results

### Capital Markets Day

December 2020

Public Event for Investors and  
Analysts - Details to follow



# Appendix

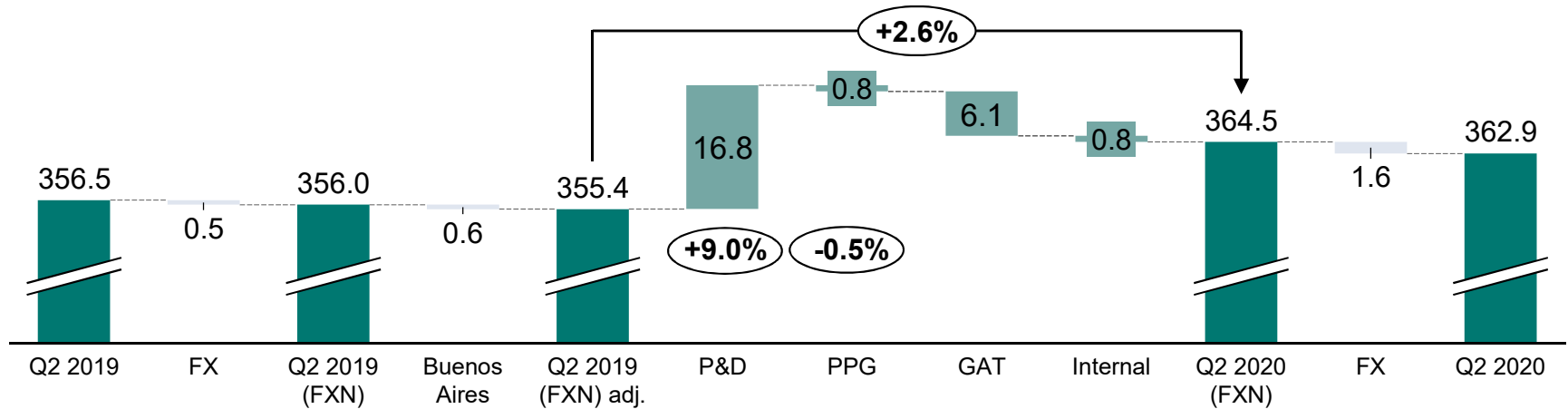


# YoY Revenue & Organic Growth Reconciliation

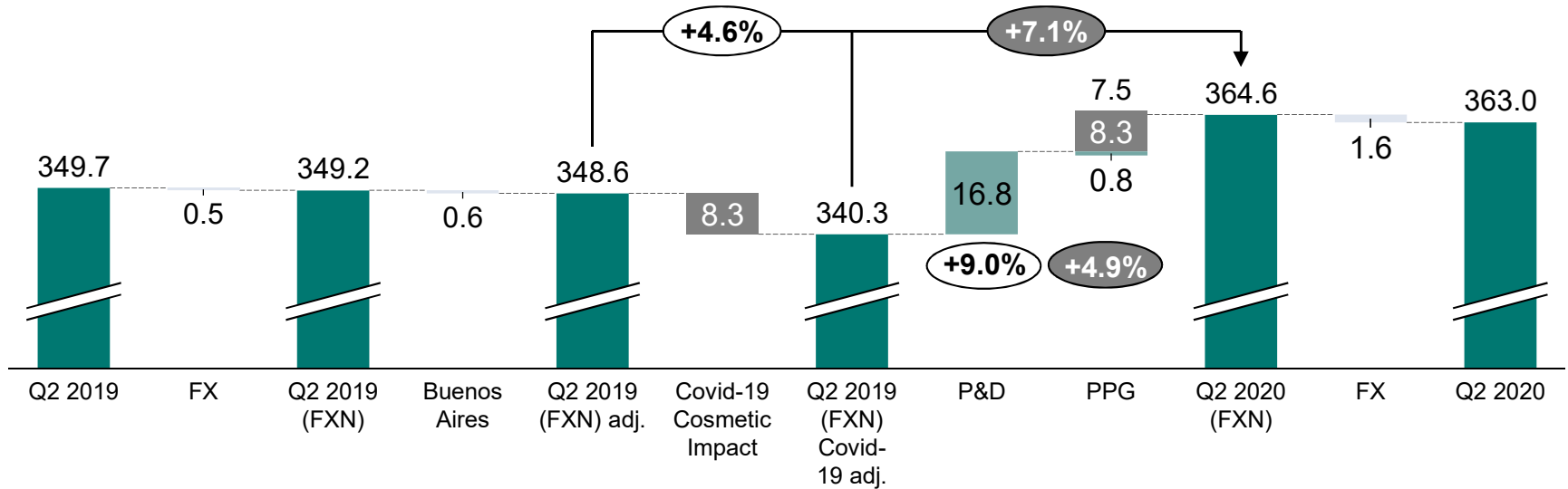
In EUR m

○ organic growth rate

Gx Group



Gx Core Business



# YoY Adj. EBITDA & Organic Growth Reconciliation in EUR m

○ organic growth rate

