



gerresheimer

Investor Presentation

Gerresheimer AG

October 2022

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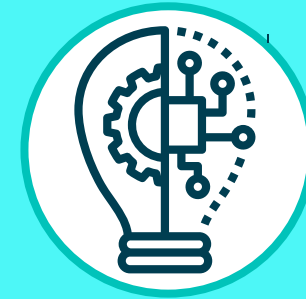
Gerresheimer at a Glance

Our Vision: Innovating for a Better Life

Partner of Choice for Customers and Patients Worldwide



Leading partner for the
pharma and beauty industry



Innovative platforms and solutions for
customers and patients worldwide



Beneficiary of Global Mega Trends

Reasons to Invest



One Gerresheimer: Broad and Unique Portfolio

Three Segments for One Gerresheimer

gerresheimer

Revenues 2021
EUR 1.5 bn

Adj. EBITDA 2021
EUR 306 m

Leverage at 3.2x
as of November 30, 2021

Plastics & Devices (P&D)



Revenue 2021
EUR 806 m

Adj. EBITDA 2021
EUR 204 m

- Contract Design Manufacturing Medical Devices (incl. Tooling)
- Primary Packaging Plastics
- Centor (Prescription Business)
- Syringes Systems

Primary Packaging Glass (PPG)



Revenue 2021
EUR 691 m

Adj. EBITDA 2021
EUR 143 m

- Moulded Glass Pharma
- Moulded Glass Cosmetics (incl. Beverages)
- Tubular Glass Pharma (Converting)

Advanced Technologies (GAT)



Revenue 2021
EUR 8 m

Adj. EBITDA 2021
EUR -15 m

- Advanced Technologies is our innovation hub and nucleus for smart devices
- Dedicated to developing and producing intelligent drug delivery systems and value-added devices

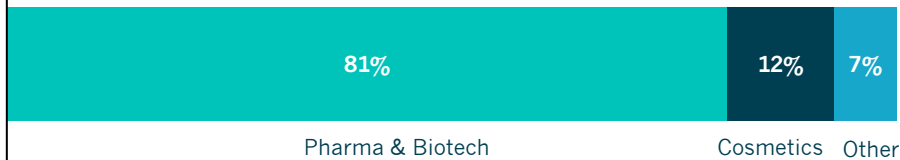
1. Head Office/consolidation -25.6m

Regionally Present and Globally Connected

Producing for the Customers at the Customers

Strong Focus

3 Focus Sectors



3 Focus Product Categories

(Pharma revenues)



Strong Global Presence

36 plants in **15** countries and
Sales in **91** countries across **6** continents

Over **1,500** customers with relationships to major
Pharma, Biologics and **Cosmetic** companies

High Value Solutions:
Growth driver with innovative
propriety products and solutions

Leading Positions in Attractive Niche Markets

Overview Market Position



**Plastic
Packaging**



**Inhalation
Devices**



**Syringe
Systems**



**Ampoule,
Vials,
Cartridge**



Clearly ranking among top three players in addressed markets



Regional expansion clearly focusing on increasing market share



Expanding into high growth emerging markets while leveraging strong market position in developed markets

1. EU = Europe | NA = North America | EM = Emerging Markets



Focus – Transform – Grow

Transformation Fully on Track

New Gerresheimer: What has Changed?

gerresheimer

innovating for a better life

formula 
2028



Changing World

Operating in a Mega Trend Environment That is Favourable for us



Emerging Markets:
Increasing health care access



Increasing importance of biotech



Vaccinations as growth market



Increasing level of outsourcing of PharmaCo's non-core activities



More self-medication and individual medicine



Cosmetic becomes Health



Increase in chronic diseases and aging population



Focus on sustainability



Increasing health care costs and tighter regulation

Dedicated and Experienced Management Team

Since 2019 Complete



Dr. Bernd Metzner

since 2019

Chief Financial Officer

Management positions

Ströer SE 2014-2019
Döhler Group 2011-2014
Bayer 2002-2011



Dietmar Siemssen

since 2018

Chief Executive Officer

Plastics & Devices
Advanced Technologies

Management positions

Stabilus 2011-2018
Continental 1994-2011



Dr. Lukas Burkhardt

since 2018

Board Member

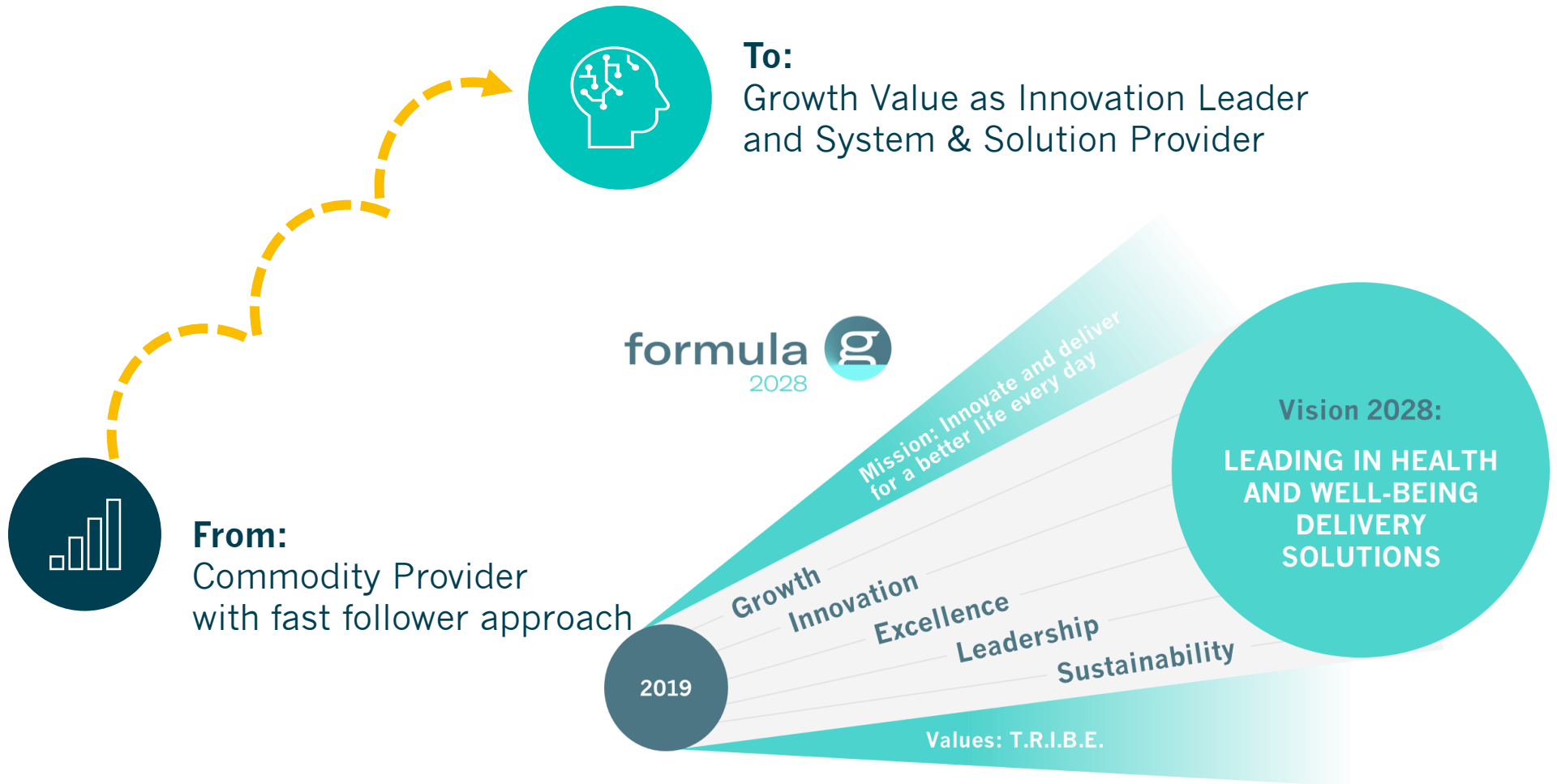
Primary Packaging Glass

Management positions

Franke Gruppe 2015-2017
Rieter Automotive 2007-2014

Strong Vision: Developed for 2028

Ambitious Goals in Five Strategic Directions Defined



Well-Positioned in Challenging Times

Comments on Current Energy Supply Situation

Long-term supply agreements in place

Diversified and long-term supply agreements provide unique competitive advantages



German Federal government stabilizes energy markets

German government sets up protective shield for German energy market – nationalisation of large utility and gas-price brake



Proven strong market positions

Our strong market positions enable us to pass on price increases



We are system relevant

Our solutions and products ensure the health of millions of people globally. Our production is system critical as seen during Covid-19



Opportunities to accelerate implementation of our sustainability strategy

Increasing focus on renewable energy projects, new melting technology, switching from natural gas to alternative energy sources & improving the energy mix



Continuously Rolling-out Our formula G Strategy

Multiple Contributors to Growth: We are Delivering

Double-Digit Organic Revenue Growth in FY 2022



High Value Solutions



Capacity & Regional Expansion



Contract Manufacturing



Beauty goes Health

Boosting Injectables & High Value Solutions in the US

Examples for Capacity and Regional Expansion in Tubular Glass 1/2

Investing up to 94 million USD in US production facility – supported by U.S. Biomedical Advanced Research and Development Authority (BARDA)



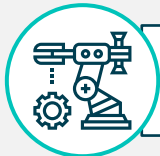
BARDA has agreed to **provide up to ~66 million USD** for this project



Morganton (North Carolina) will contribute to serve the high market demand for **glass vials**



formula G: Investment **focus on High Value Solutions** and **global expansion**



New state-of-the-art forming lines can also produce **GX® Elite Glass** and **RTF vials**



Incorporating **sustainable design principles**



Accelerating the Conversion From Bulk to RTF Vials

Examples for Capacity and Regional Expansion in Tubular Glass 2/2



Gerresheimer and Stevanato joining forces in the development of an enhanced Ready-To-Fill solution platform.

Total cost of ownership advantage

Significant reduction in TCO for filling companies

Quality improvement

Risk of vial breakage within the process significantly reduced

Easy implementation

Customers can easily adapt on existing lines

Low particles

Significant particle reduction creating a new industry gold standard

Improving sustainability

CO₂ neutral packaging using green energy and re-usable materials – focus on weight reduction

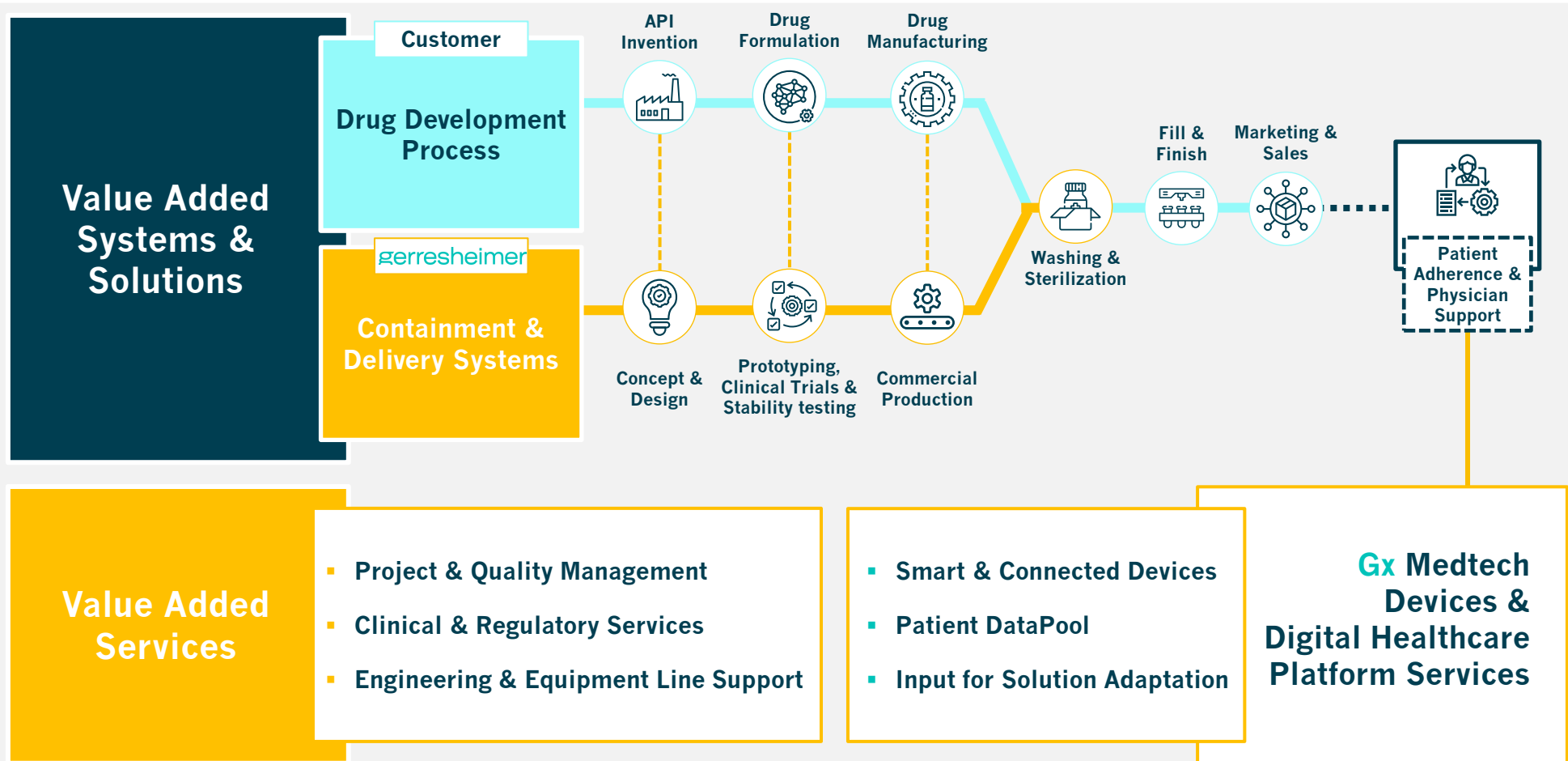
Tox-free sterilization

Replacement of EtO sterilization incorporates latest US EPA¹ guidelines

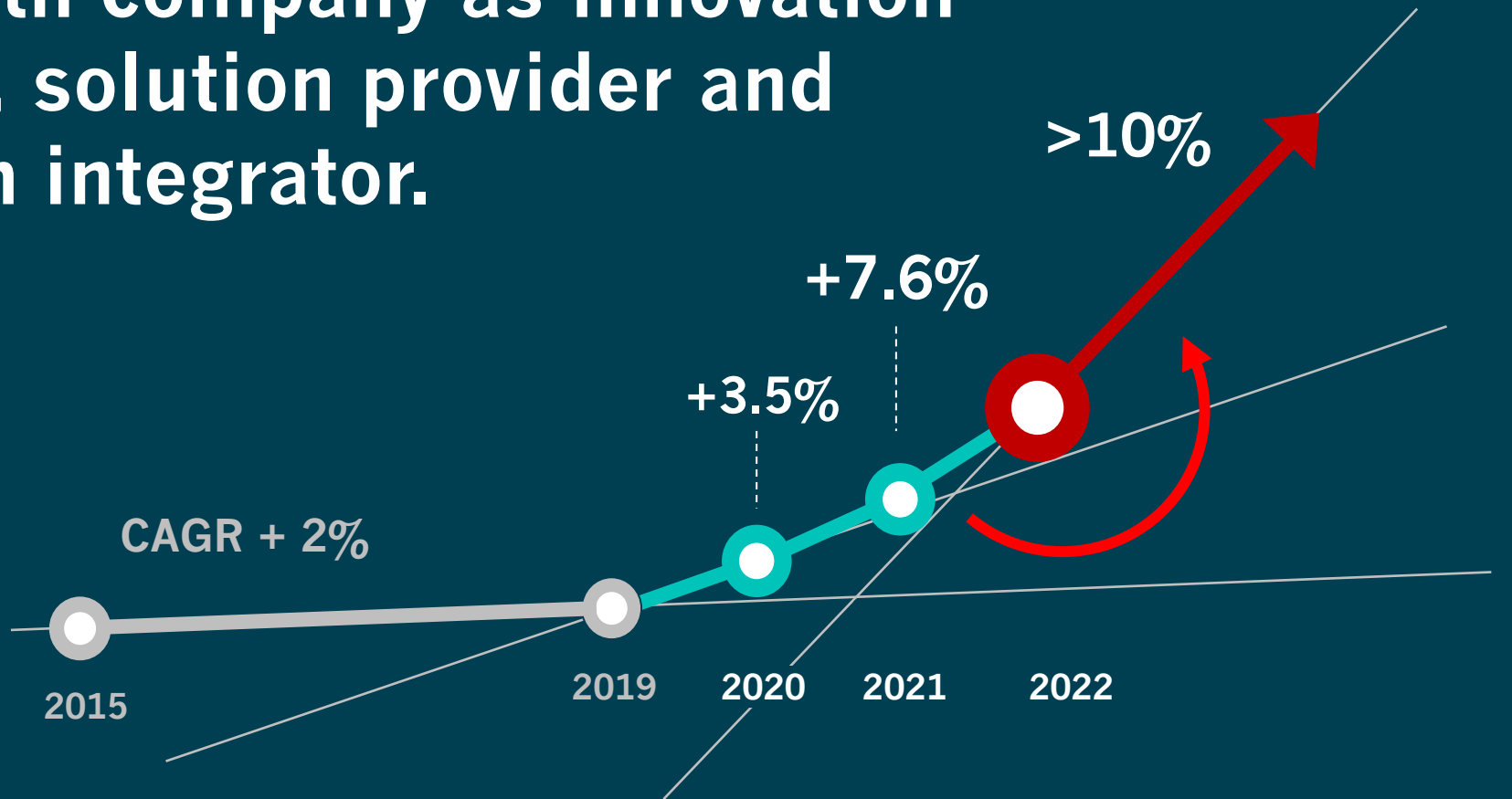
1. US EPA = United States Environmental Protection Agency

Integrated Solutions Across the Value Chain

Building on our Long-term Expertise



Transforming Gerresheimer into a growth company as innovation leader, solution provider and system integrator.



Sound Financial Policy

Strategic Direction

ORGANIC INVESTMENT

- Holistic investment and capital allocation approach
- Investments focus into high growth opportunities
- Targeted capacity extension
- Clear payback and IRR criteria

RATING & LEVERAGE

- Consider net financial debt to adjusted EBITDA ratio of 2.5x-3x as appropriate for Gerresheimer
- Temporary variation tolerated in case of relevant M&A
- Committed to investment grade rating in the long term

Focus on Sustainable and Profitable Growth

- Committed shareholder value
- Dividend policy implies payout ratio of 20 -30% of adjusted Net Income after minorities

DIVIDEND

- Stringent and selective approach to acquisitions
- Strategic fit, management profile and financial track record as key initial considerations
- Clear financial guidelines

M&A

Outperforming Markets and Accelerating Growth

Gerresheimer Becomes More Successful Step by Step



Increase Sales With Biologic Customers Significantly

Growth Segments: Example Biologics

Gx® Biological Solutions - cross divisional team

Innovative product solutions for biotech drugs

Best possible packaging configuration

Interdisciplinary team of scientists, designers, engineers and product managers

Full-service provider for small, mid and large biotech companies (regulatory, laboratory, ...)



Enhance our Portfolio with High Value Solutions

Increase Focus on Own IP and R&D



Partnering: Key to Expanding our Solutions Offering

Broadening our Offering With New Partnerships

Some important examples:

1

Focus on Customers:

Jointly developing next generation solutions



Gx Biological
Solutions



Sustainability

2

Focus on Strategic Partnerships:

Expanding expertise for a broad and integrated solutions offering



BIOLOGICS
Customer



Portal
Instruments



Midas® Pharma

ZOLLNER

3

Focus on Next Generation Technologies:

Important partner for innovative healthcare companies to revolutionize patient care



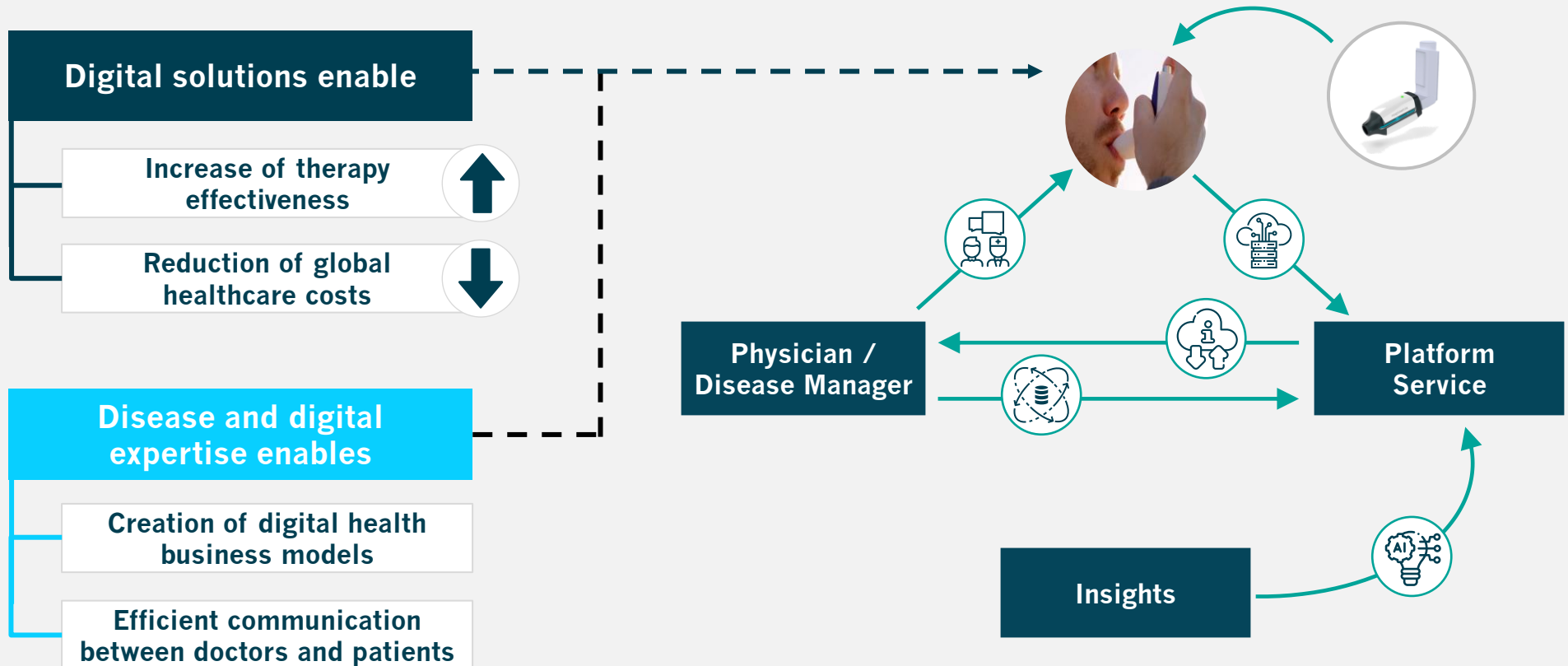
Universities,
Startups,
Hospitals



ADAMANT
HEALTH

Digitalisation Offers new Business Opportunities

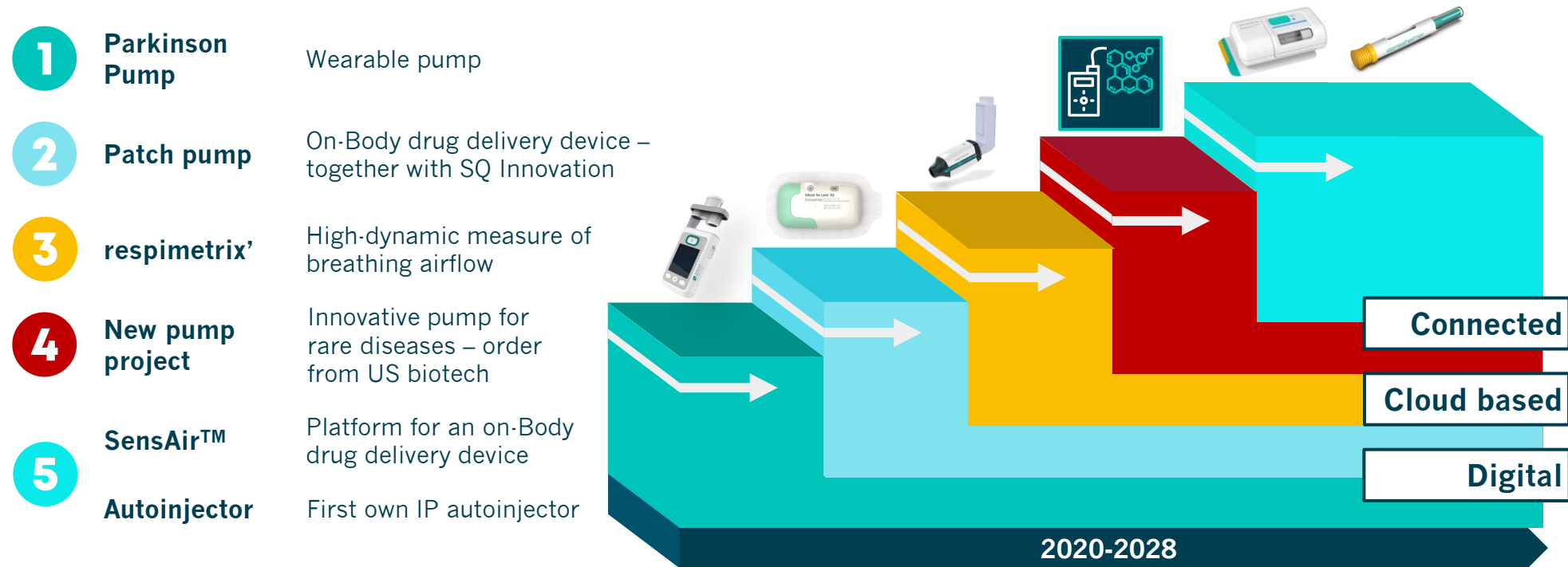
Connected Devices & Smart Business Models



Advanced Technologies: Nucleus for Smart Devices

Innovate: Examples of Advanced Technology Products and Projects

GAT is an integral part of our growth strategy and contributes to our vision „innovating for a better life“





Investment Approach

Further Sharpening our Growth & Return Profile

Basis for Investments & Capex Priorities

Basis for investments into growth opportunities



Global megatrends



Record order intake
& development
projects



Transformation:
solution provider &
system integrator

1

Increasing capacity
to meet demand

2

Regional expansion

3

Increasing focus on
R&D & Services

Clear Roadmap to Implement Growth

Growth Investments With a Particular Focus on High Value Solutions

1

Globalization in Syringes

Regional expansion and high-value products

- Double global syringe capacity by 2028
- Build-up capacity in China, North Macedonia and Mexico
- High-value lines in Europe

3

Advanced Technologies

Push digitalization for connected & digital devices

- Further investments and development of own IP
- Project execution (SQ Innovation, new pump projects for rare disease, respimetrix, SensAir™, G Injector)

2

Contract Manufacturing

Growth with existing and new customers

- Ramp-up autoinjector contract (Pfreimd)
- New production line in North Macedonia
- Follow-up orders - expand production in Horsovsky Tyn (CZ)

4

Vials & Cartridges

Expand leading vial producer position with RTF vials focus

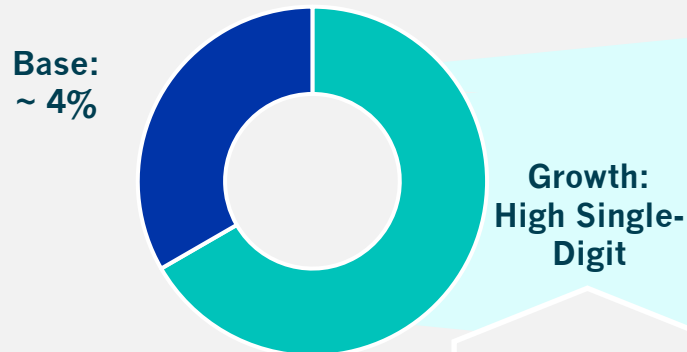
- Expand capacities in North America and Europe, with particular focus on RTF
- Strong ramp-up of capacities in China
- Supported by governmental initiatives

Significant Investments Into High Value Solutions

Capex Split by Type and Growth Capex Breakdown

Capex Split by Type

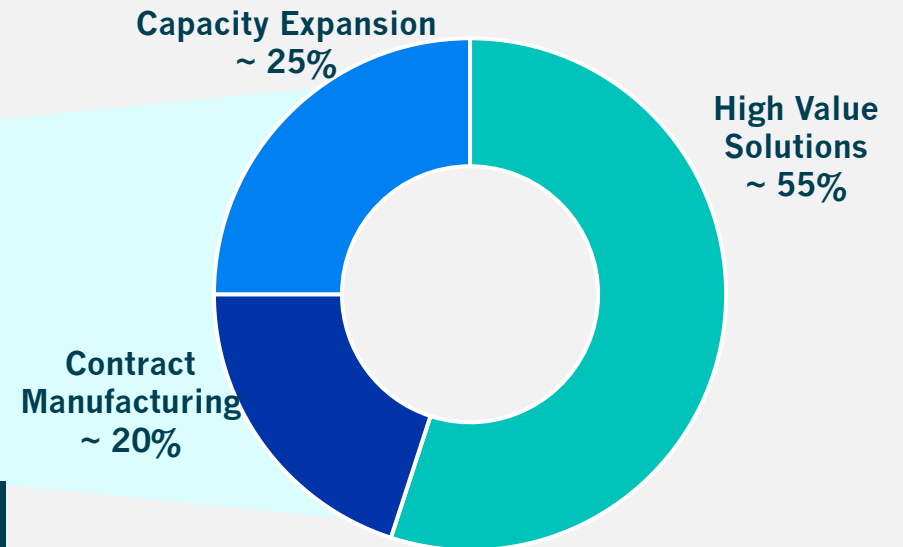
Capex type as % of revenues



To grow organically high single-digit

Around 55% into High Value Solutions

Growth capex by segment



High Value Solutions Support Margin Expansion

Current Investment Opportunity and Impact on Gerresheimer's Profile

Underlying market growth proves attractiveness of High Value Solutions

- Dynamic market development in **BioPharma & Diagnostics** – double-digit market growth
- Increasing focus on **Biologics and Injectables** – also shown in our High Value Solutions Profile
- Revenue share of **HVS** continuously increasing – CAGR >25%



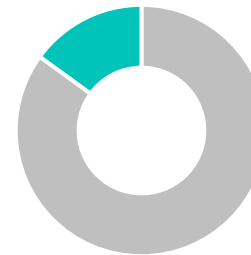
Average Adj. EBITDA margin of High Value Solutions of >30%

High margin HVS will account for around a third of revenues by 2028

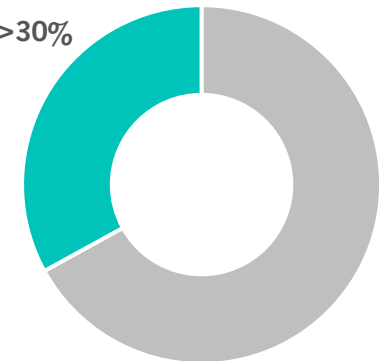
HVS as % of total Gerresheimer revenues



~ 15%



>30%



~25% CAGR

Gerresheimer's Investment Program

Delivers Attractive Returns



Robust and holistic capital allocation process

KPIs: IRR, payback period and NPV



Investments into **attractive growth markets** with a priority on margin strong High Value Solutions



Continuous improvement of capex/sales through less capital intense business (R&D and royalty based)



Project Capex 75: Generating the same level of sales growth with less investments

Mid-Term: ROCE before tax of 15%

Serving our Global Customers

Global Expansion: Increase Footprint and Market Penetration

North America:

Increasing service offering:
New plant for plastic packaging solutions

South America:

Capacity expansion in plastics and cosmetics business

Europe:

New plant for medical devices steadily ramping up in Skopje (North Macedonia)

Asia:

New sales structure and expansion of glass and plastics capacities in India and China



- **Growth in Emerging Markets** (mainly China, India und Brazil)
- **Improve cost structure, increase efficiency**
- **Further expansion of our global footprint** (mainly. Plastic Products & Solutions)
- **Expansion in High Value Solutions:** Innovative Products & Customized Solutions

Rethink the Future: Growth Through Sustainability

Holistic Approach With Ambitious Targets Sets New Standards

Sustainability Goals

Already strong today:



Sustainability as Growth Driver

Ambitious Sustainability Goals for the Future

GxPure

Engagement for climate and environment

CO₂ Emissions

-50% Scope-1 and -2 emissions by 2030

Renewable Energy

100% Renewable electricity by 2030

Water

-10% Water consumption by 2030

100% Of highwater-stress sites AWS certified by 2030

GxCircular

Engagement for resources through sustainable products, responsible supply chain and circular economy

Ecodesign

100% Of new product development incorporate Gx Ecodesign principles by 2023

Recycling and Waste

-100% Of industrial waste to landfill with minimal incineration rate by 2028

Responsible Supply Chain

100% Of strategic suppliers acknowledge the Gx Principles for RScM and audited in term of ecological and social aspects by 2024

GxCare

Engagement for people - for our employees and our impact on society

Employee Satisfaction

Top 25% Of employers measured by the Employer Net Promoter Score by 2028

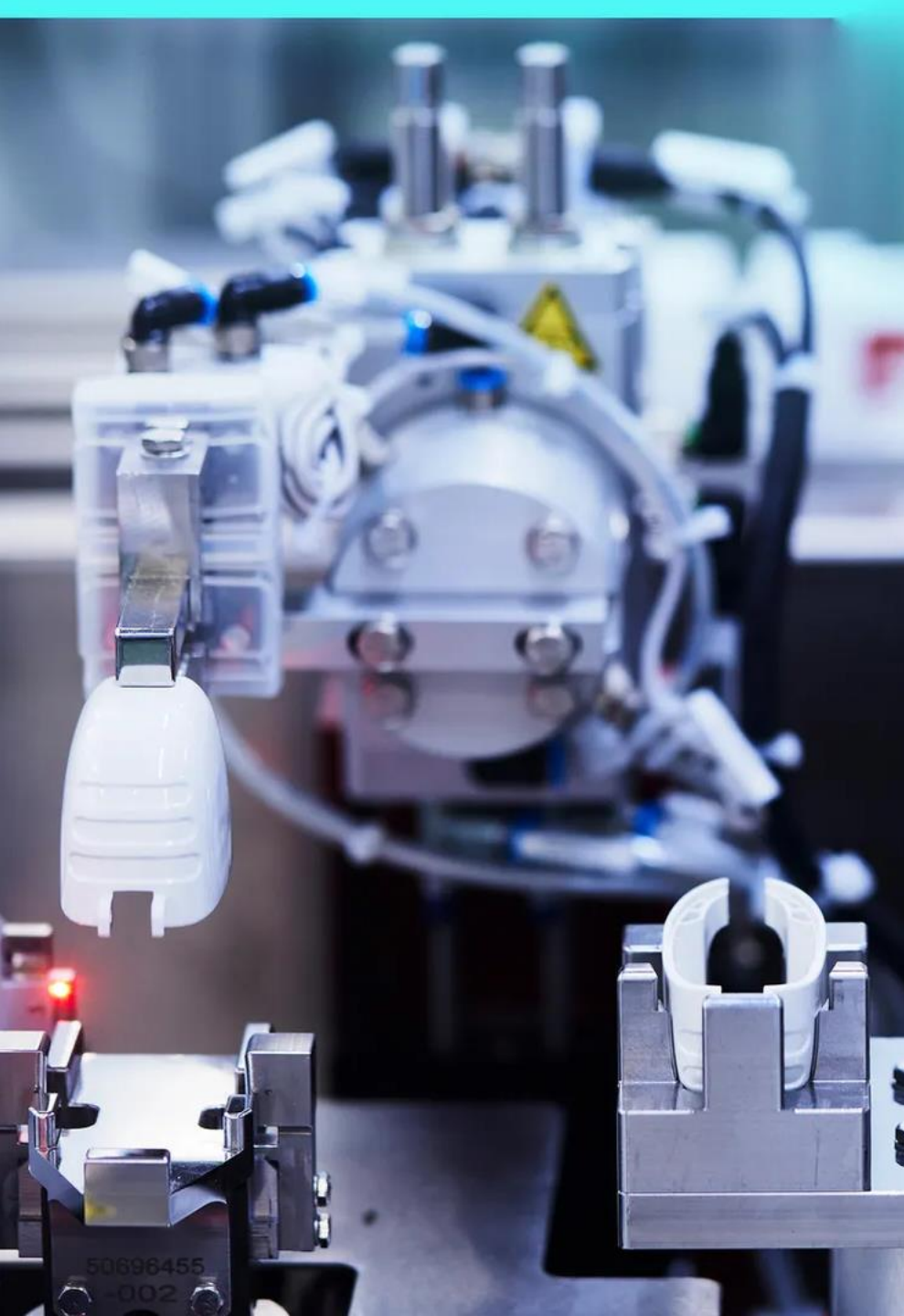
Corporate Citizenship

100% Of sites with annual engagement in their local communities focusing on education or health and well-being by 2023

Health and Safety

-80% Lost time incident rate by 2028

100% Of Sites with ISA 45001 certification by 2023



Q3 2022 Earnings Review

Delivering Another Double-Digit Quarter

Strong Momentum Continues – On Track for FY 2022 Guidance



Double-Digit Growth:

Revenue growth
+17.4% (FXN)

Adj. EBITDA growth:
+13.3% (FXN)

Adj. EPS:
+10.1% (FXN)



High Value Solutions
+21.7%

Consistent execution
of growth strategy
formula G



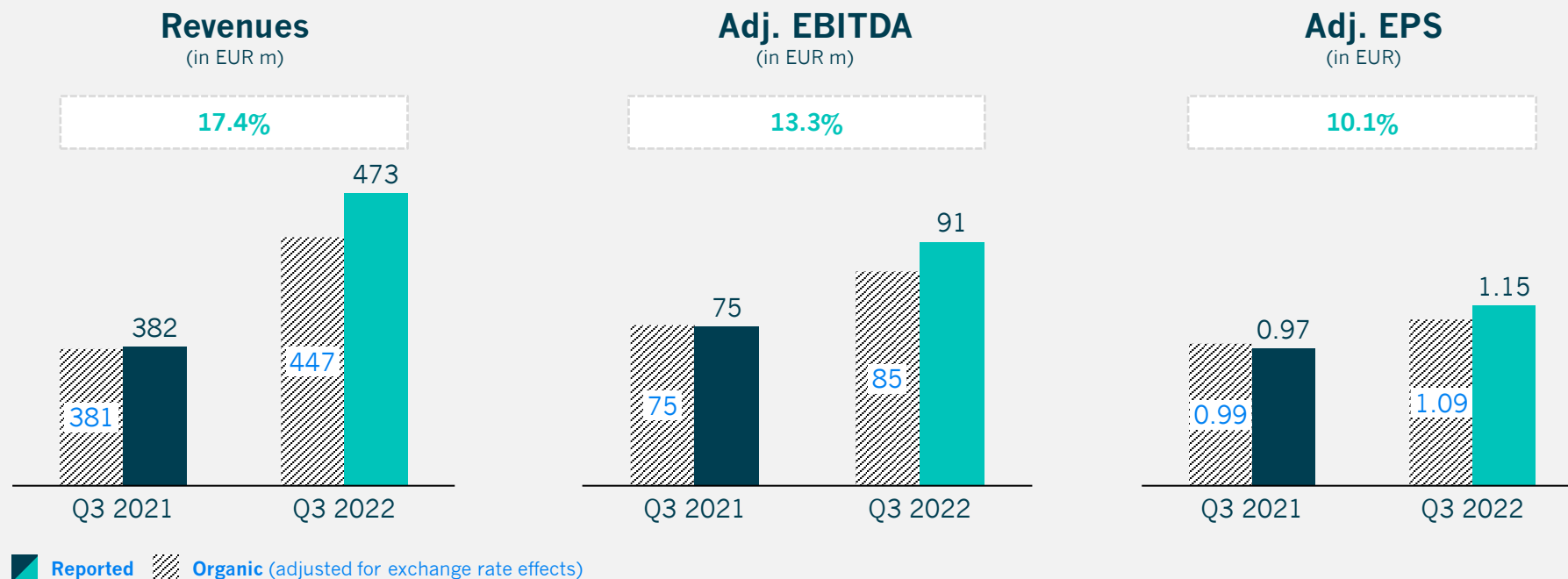
Challenging market
environment
successfully managed

Guidance confirmed

Profitable Growth: Another Double-Digit Quarter

Operational View on KPIs

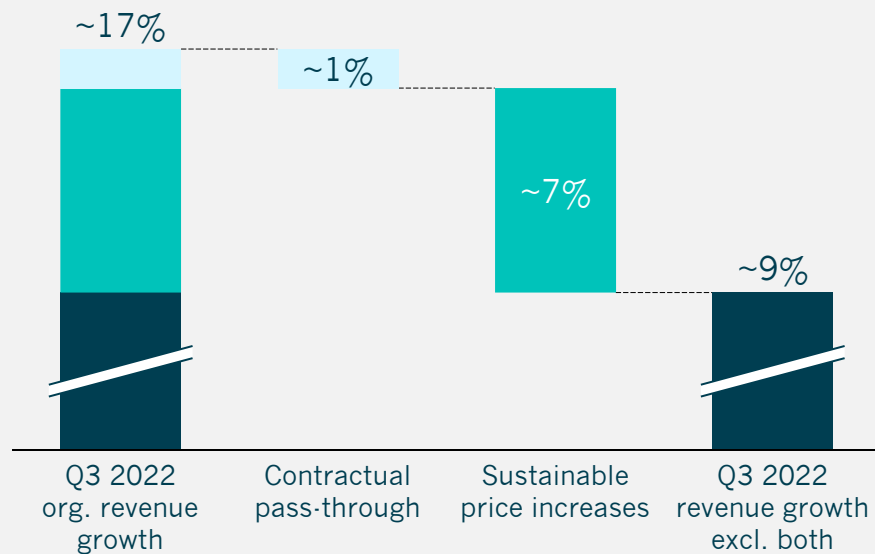
organic growth yoy



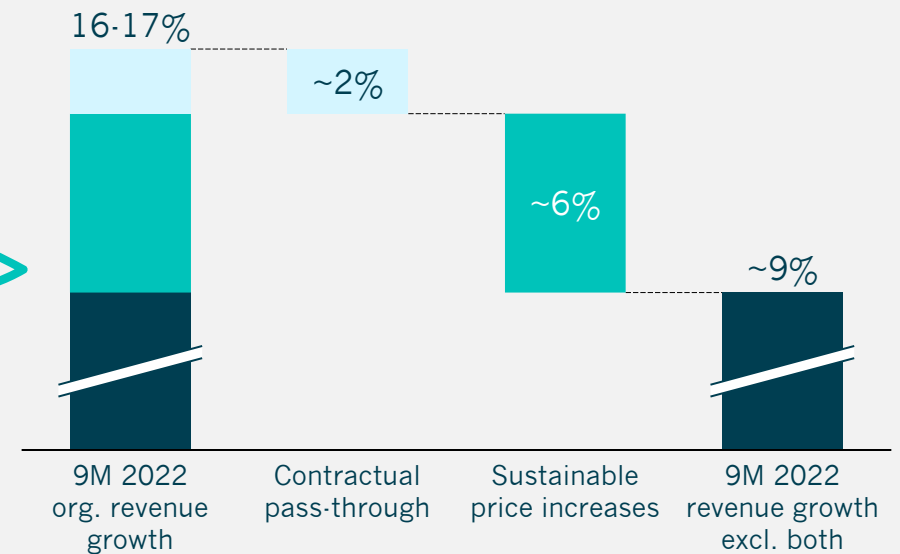
Consistently Proving Strong Pricing Power

Q3 2022 Revenue Growth Reconciliation

Focus on Q3 2022:



Focus 9M 2022:



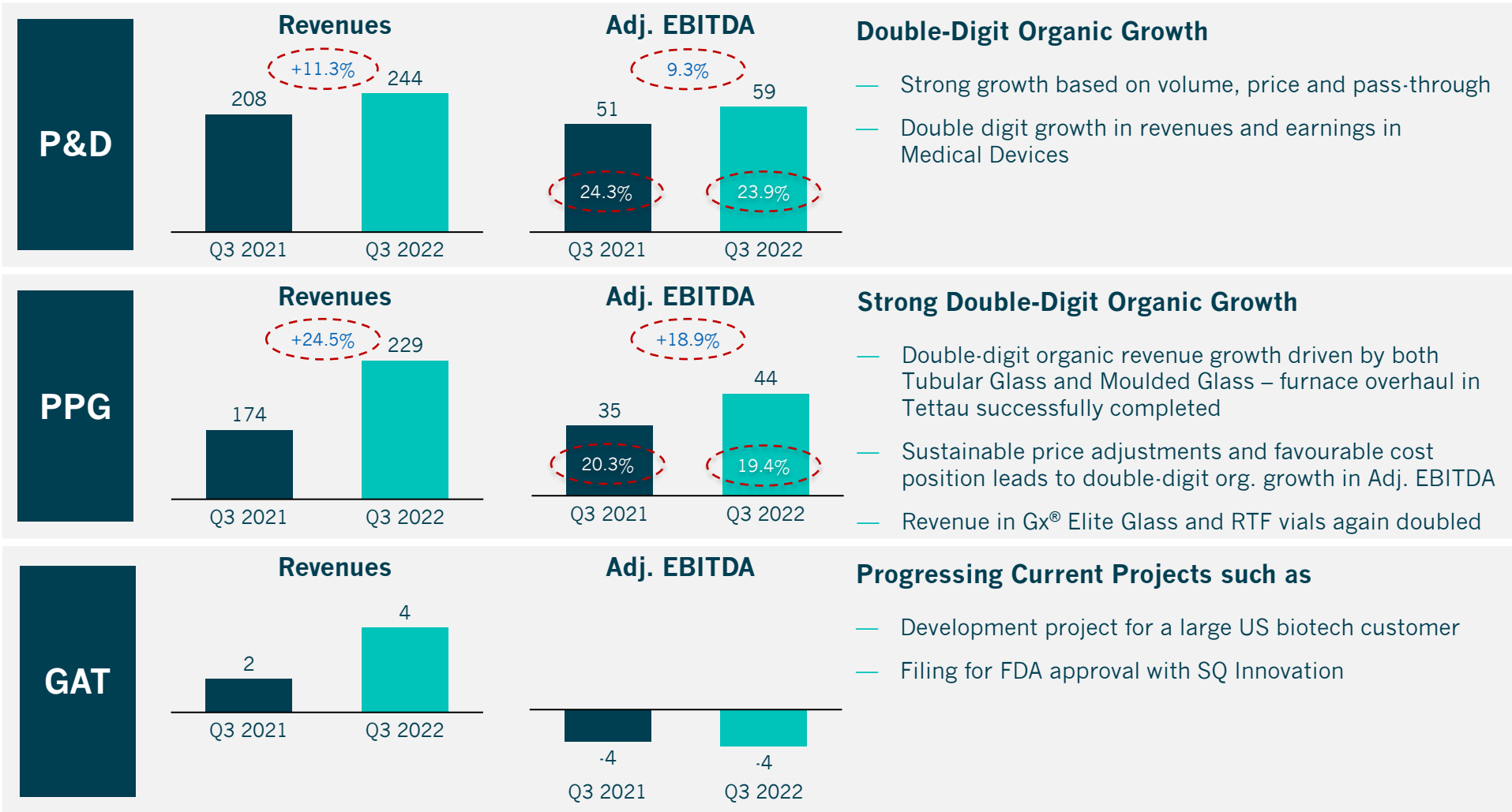
- Price increases from pass-through: implemented on short-notice and mainly related to change in raw material prices (e.g. resin)
- Renegotiated price adjustments are sustainable and mainly linked to higher energy cost and general input cost increases

Strong Divisional Performance in Q3 2022

Q3 2022: Divisional Performance and Highlights

Organic yoy & margin

In EUR m



Solid FCF Performance While Maintaining Investment

Cash Flow and Financial Debt

In EUR m	Q3 2022	Q3 2021	Change	Comments
Adjusted EBITDA	90.5	74.8	15.7	Earnings significantly increased
Change in net working capital	-4.7	23.8	-28.5	Higher NWC due to strong topline growth as well as safety stock
Net interest paid	-3.1	-1.9	-1.1	
Net taxes paid	-4.9	-8.6	3.7	
Other	-1.3	-0.6	-0.7	
Cash flow from operating activities	76.5	87.5	-11.0	
Net capex	-59.9	-48.6	-11.3	Furnace overhaul in Tettau (Germany), expansion of our global injectables capacities, further ramp-up of contract manufacturing projects
Free cash flow before M&A	16.6	38.9	-22.3	
Net financial debt ¹	1,111	1,018	93	
Adj. EBITDA leverage	3.3x	3.3x		

1. Net financial debt according to credit agreement in force

Successful Refinancing of Promissory Loans

Structured Two-Step-Approach Now Implemented

Promissory loans of EUR 306m successfully refinanced in a two-step approach:

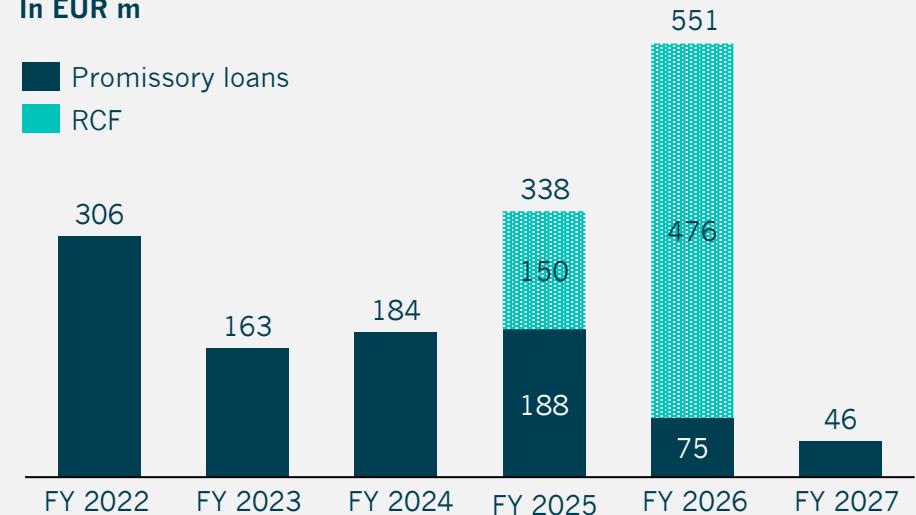
- (1) Issuance of promissory loans of 150m EUR in total in November 2021
- (2) Additional RCF in the amount of 150 m EUR in July 2022

Two-step-approach provides flexibility and even slightly improved terms

Maturity Profile

In EUR m

- Promissory loans
- RCF



Successful refinancing on attractive terms reinforces our financial position and reflects strength of our business model

Guidance Confirmed

Well Positioned to Deliver on FY 2022 and Mid-Term Guidance

Group level guidance (FXN) focused on three key drivers of shareholder value

	Revenue ¹	Adj. EBITDA / Margin	Adj. EPS
FY 2022	> 10%	High single-digit growth	High single-digit growth
Mid-term	High single-digit growth	23-25% (margin)	≥ 10%






¹ Revenue guidance raised during Q1 2022 from high single-digit to at least 10% organic revenue growth in FY 2022



Market Environment

Addressing Attractive Niches

CAGRs of Relevant Product Segments

	Cosmetics Glass	Pharma Glass ¹	Pharma Plastic	Syringes	Drug Delivery Devices
					
Estimated Market Size 2020² (in € bn)	~ 1.9	~ 2.5	~ 6.5	~ 1.1	~ 5.0
Market CAGR '20-'25² (in %)	MID SINGLE DIGIT			MID TO HIGH SINGLE DIGIT	

The strategic relevant core market for Gerresheimer is today ~ € 17bn

1. Tubular Glass + Moulded Glass Pharma
2. Strategic relevant markets, Gerresheimer estimates

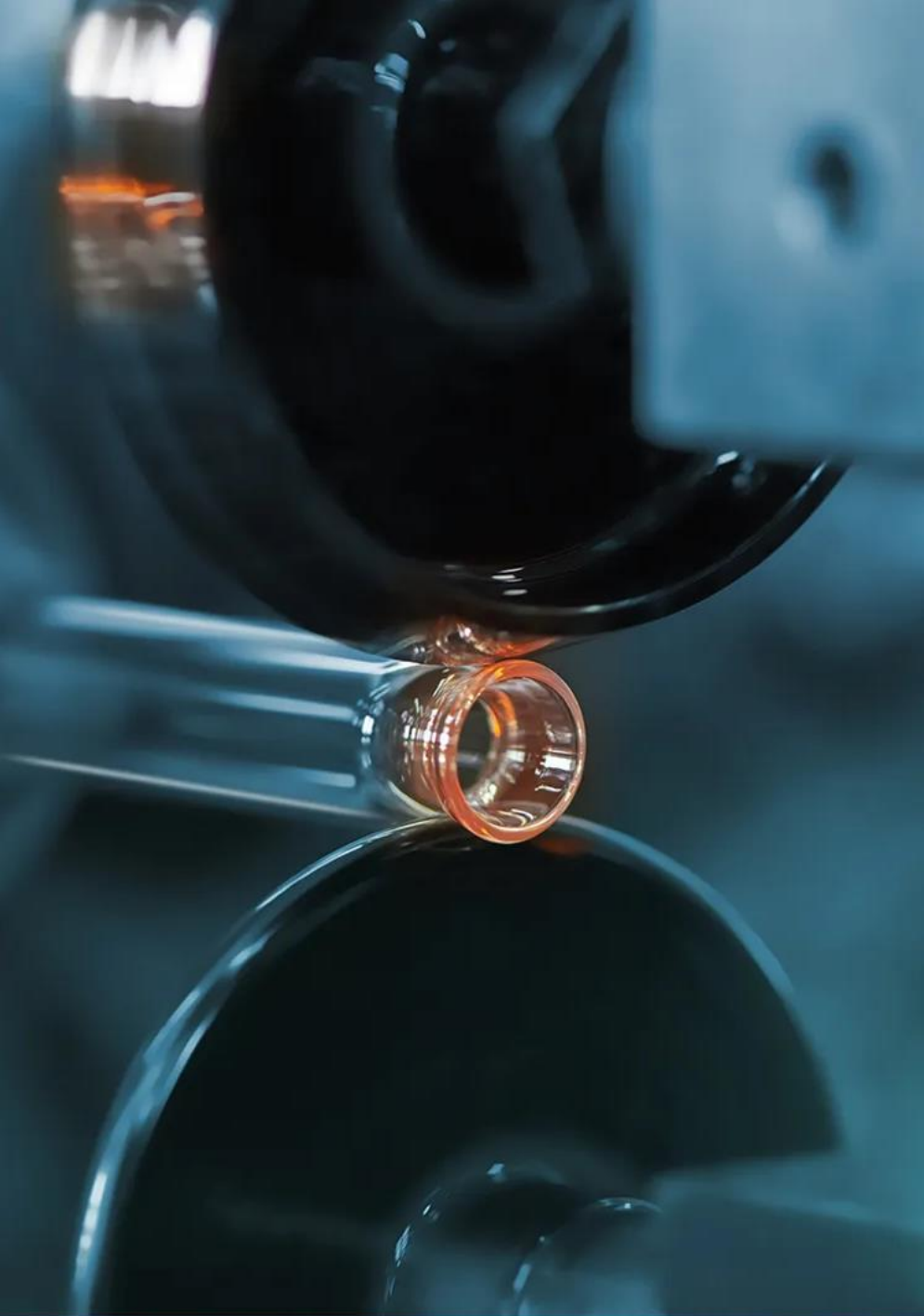
Diversified Product Portfolio

Competitive Landscape

Product Company	Plastic Packaging	Inhalation (DPI) ²	Diabetes Diagnostics ³	Pens	Syringe Systems	MG Pharma (Type I)	Liquids and Syrups (Type II & III)	TG Injectables	Pumps/Devices
Gerresheimer	✓	✓	✓	✓	✓	✓	✓	✓	✓
Schott					✓			✓	
Becton Dickinson ¹			✓		✓				
Nipro ¹					✓			✓	
Ompi (Stevanato)			✓	✓	✓			✓	✓
Jabil ¹ (Nypro)	✓	✓	✓	✓					
Consort Medical (Recipharm)		✓							
West Pharma ¹				✓	(✓)				✓
Nemera	✓	✓		✓					✓
Berry Plastics ¹	✓								
Facet			✓						
Ypsomed ¹				✓					✓
SGD						✓	✓		
Rocco Bormioli	✓					✓	✓		
Insulet									✓
Shandong Weigao					✓				

1. Public company | 2. DPI = Dry Powder Inhaler (World market) | 3. Lancets and lancing devices

Source: Company estimates



Appendix

Financial Calendar

Capital Markets Day
2022

December
6th, 2022

Publication Financial
Year 2022 Results

February
23rd, 2023

Publication 1st
Quarter Results 2023

April
6th, 2023



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innovating for a better life