

October 10, 2019

Gerresheimer advances growth and technology projects in third quarter

- Revenues up 1.4 % on the prior-year quarter to EUR 358.6m
- Adjusted EBITDA at EUR 72.2m in third quarter of 2019
- Adjusted net income at EUR 30.7m in third quarter of 2019
- New innovation center for pharmaceutical glass opened in the US
- Successful refinancing by a EUR 550.0m revolving credit facility negotiated with improved conditions
- Guidance for financial year 2019 confirmed

Duesseldorf, October 10, 2019—Gerresheimer AG ended the third quarter of the financial year 2019 (June 1, 2019 to August 31, 2019) with a revenue growth of 1.4 %. “Our third quarter went as expected. Business with prefillable syringes and pharmaceutical plastic packaging in particular performed well. We continue on our growth trajectory with a focus on innovation, quality, digitalization and capacity expansion. In late September, we opened an innovation center in the US. There we pool our experts and expertise in glass and drive innovation in pharmaceutical glass,” commented Dietmar Siemssen, CEO of Gerresheimer AG.

Gerresheimer increased revenues by 1.4 % to EUR 358.6m in the third quarter of the financial year 2019, up from EUR 353.7m in the prior-year quarter. The syringe business performed well in the third quarter of 2019. Revenues with primary pharmaceutical plastic packaging also grew. Additionally, the medical plastic systems business did well, notably due to engineering and tooling revenues. Revenues from glass primary packaging once again showed healthy growth in Asia. In Europe they were stable. The positive market trend in North America continues. Demand from a major customer there has temporarily decreased due to his operational problems. In the cosmetics packaging business, the Company is increasingly targeting sustainable solutions, primarily through increased use of recycled glass and recycled plastic resin.

Gerresheimer is pursuing a large number of projects for profitable growth and enhanced productivity. These projects are being systematically implemented and are well on schedule. At the end of September, a Glass Innovation and Technology Center in Vineland (New Jersey, USA) was opened at a major customer event. The center’s purpose is to pool expertise in glass as well as drive innovation in pharmaceutical glass and

Press Release

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related processes, including increased digitalization. Located directly adjacent to a Gerresheimer production plant for injection vials and cartridges, the newly built, ultra-modern innovation center allows joint development on site with global pharma customers.

In figures, capital expenditure of EUR 45.5m was incurred in the third quarter of 2019. This was mainly directed at the continued expansion of inhaler production capacity at the Horsovsky Tyn plant in the Czech Republic coupled with further additions to production capacity and to the product portfolio. Other capital expenditure in the quarter under review related to the planned furnace overhaul in Essen, Germany, as well as production line upgrading and automation at various plants.

Third quarter adjusted EBITDA at constant exchange rates came to EUR 71.1m, compared to EUR 69.8m adjusted for one-off effects a year earlier. Adjusted net income in the third quarter of 2019 stood at EUR 30.7m, versus EUR 28.6m excluding also one-off effects in the prior-year quarter. Adjusted earnings per share after non-controlling interests were EUR 0.96 in the third quarter of 2019, compared to a prior-year figure of EUR 0.89 excluding one-off effects. There was a temporary decrease in adjusted EBITDA leverage (net financial debt to adjusted EBITDA over the last twelve months) to 2.4x.

Gerresheimer has negotiated its refinancing on improved conditions. Based on the good business results, the syndicated loan—in the form of a revolving credit facility—was increased by another EUR 100.0m, from EUR 450.0m to EUR 550.0m. Gerresheimer expects a long-term reduction in financing costs by some EUR 1m per year.

Outlook

Gerresheimer's expectations for the financial year 2019 remain unchanged. They are set out in the following, in each case based on constant exchange rates.

- Revenues are expected to be in the range of approximately EUR 1.4bn to EUR 1.45bn in the financial year 2019.
- For adjusted EBITDA, the Company expects a figure of approximately EUR 295m in the financial year 2019 (plus or minus EUR 5m), versus a comparative figure of EUR 289.1m in the financial year 2018. This does not include EUR 118.5m in other operating income already recognized in the first half of 2019 due to derecognition of contingent purchase price components from the Sensile Medical acquisition.
- Capital expenditure as a percentage of revenues will be approximately 12 % in 2019.

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The medium-term indications published on February 14, 2019 remain unchanged.

The full quarterly report is available here:
www.gerresheimer.com/en/investor-relations/reports

About Gerresheimer

Gerresheimer is a leading global partner to the pharma and healthcare industries. The company's special glass and plastic products contribute to health and well-being. Gerresheimer is a global organization with about 10,000 employees and manufacturing operations in the local markets, close to customers. With plants in Europe, North and South America and Asia Gerresheimer generates revenues of approximately EUR 1.4 billion. The comprehensive product portfolio includes pharmaceutical packaging products as well as convenient and safe drug delivery systems such as insulin pens, inhalers, micro pumps, prefillable syringes, vials, ampoules, bottles and containers for liquid and solid pharmaceuticals with closure and safety systems, plus cosmetic packaging products.

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Group Key Figures (IFRS; Financial Year end November 30)

Results of Operations during Reporting Period in EUR million	Q3 2019	Q3 2018	Change in % ⁸
Revenues at constant exchange rates ¹	355.2	351.7 ²	+1.0
Revenues	358.6	353.7	+1.4
Adj. EBITDA at constant exchange rates ^{1,3}	71.1	69.8 ⁴	+1.6
Adjusted EBITDA ³ <i>in % of revenues</i>	20.1	20.9	-2.3
Net income	19.0	19.0	+0.5
Adjusted net income after non-controlling interests ⁵	30.1	28.1 ⁷	+7.5
Adjusted earnings per share in EUR after non-controlling interests ⁶	0.96	0.89 ⁷	+7.9
Net Assets as of Reporting Date in EUR million			
Equity ratio in %	37.5	31.1	+6.4%points
Net financial debt	1,000.4	905.8	+10.4
Capital expenditure	45.5	19.5	>100.0

¹ Translated at budget rates 2019, which can be found in the outlook section of the Interim Group Management Report.

² Excluding revenues on a constant exchange rates basis of EUR 3.7m in the third quarter 2018 from the lost inhaler contract with a customer at our plant in Kuessnacht (Switzerland). Taking this effect into consideration, revenues at constant exchange rates came to EUR 355.4m.

³ Adjusted EBITDA: Net income before income taxes, net finance expense, amortization of fair value adjustments, depreciation and amortization, impairment losses, restructuring expenses, and one-off income and expenses.

⁴ Excluding the two one-off effects from the expenses of EUR 1.4m relating to the exemption from electricity network charges and the positive contribution of EUR 5.6m from the lost inhaler contract. Taking these two effects into consideration, the adjusted EBITDA at constant exchange rates came to EUR 74.0m. On this basis, the adjusted EBITDA at constant exchange rates declined by 4.2 % in the third quarter 2019.

⁵ Adjusted net income after non-controlling interests: Net income after non-controlling interests before non-cash amortization of fair value adjustments, non-recurring effects of restructuring expenses, portfolio adjustments, the balance of one-off income and expenses—including significant non-cash expenses—and the related tax effects.

⁶ Adjusted earnings per share after non-controlling interests divided by 31.4m shares.

⁷ Excluding the two one-off effects from the expenses of EUR 1.4m relating to the exemption from electricity network charges and the positive contribution of EUR 5.6m from the lost inhaler contract and their relating tax effects.

⁸ Change calculated on a EUR k basis.