



Investor Call

Q4 2017

Plochingen, April 25, 2018 - public-side information only

CEO – Dr. Hadi Saleh CFO – Dominique Janbon

Investor Call – 2017 Q4 Financial Information Disclaimer

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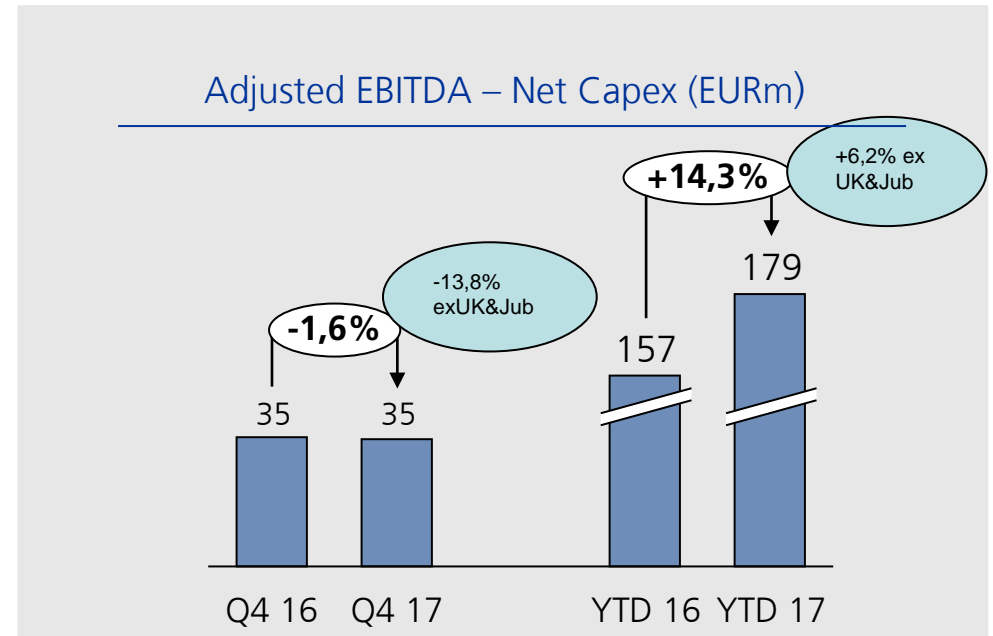
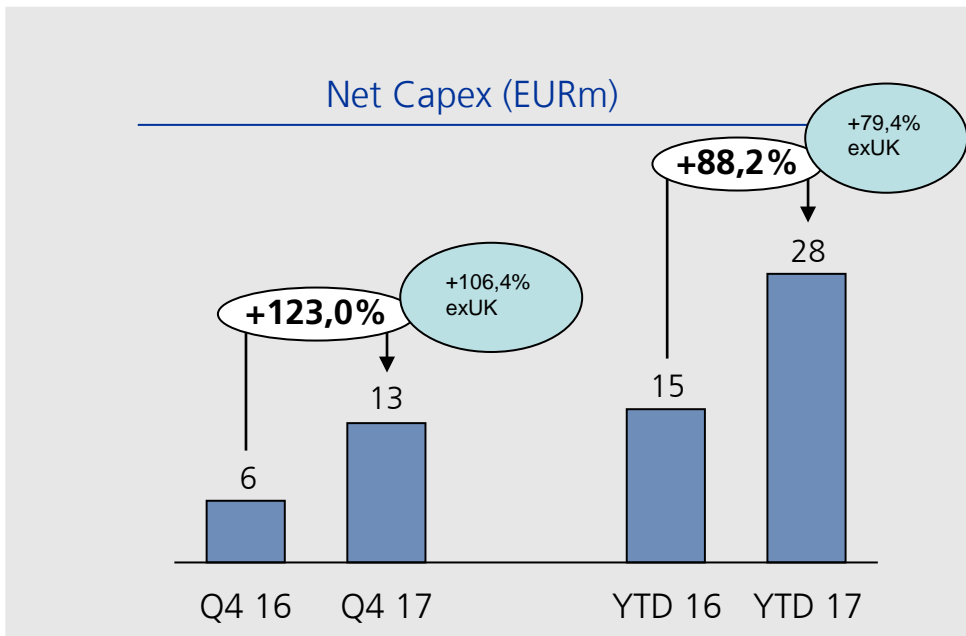
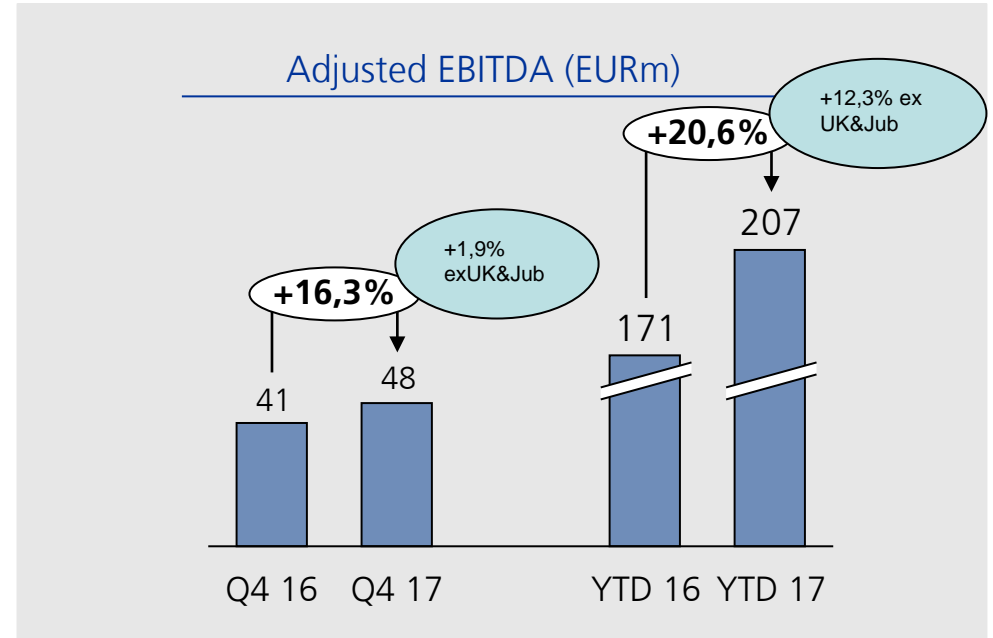
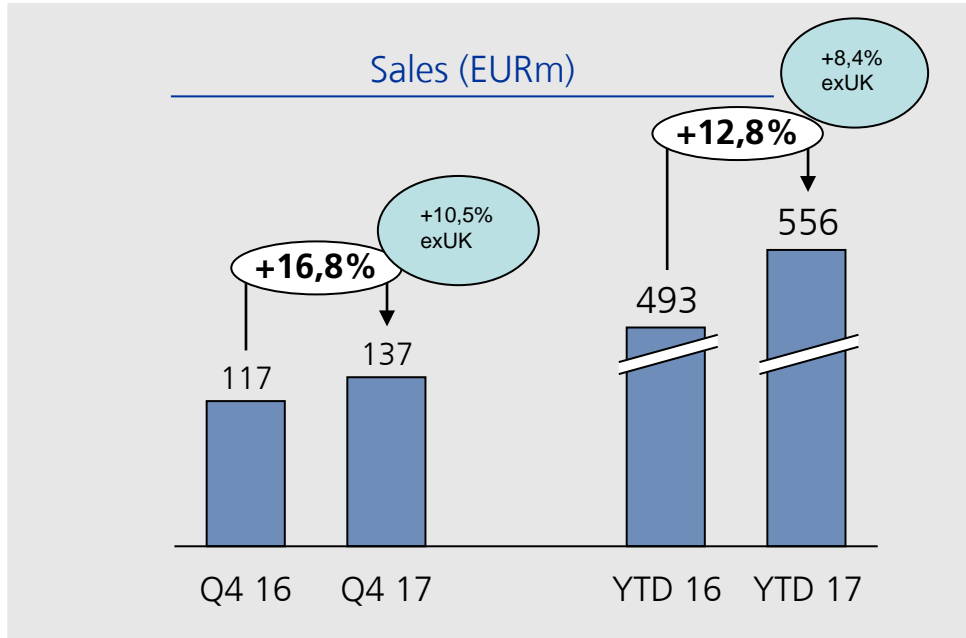
Overview of Q4 Performance



- Group Sales Q4'17: EUR 137m +16.8% vs. PY
 - Strong market conditions
 - Commercial excellence
 - CT UK acquisition (+10.5% organic growth)
- Medical Products Sales Q4'17: EUR 46m +5.1% vs. PY driven by volumes
- Industrial Sales Q4'17: EUR 91m +23.8% vs PY with good performance across markets, US and Textile leading the charge
- Group Adjusted EBITDA Q4'17: EUR 48m +16.3% vs. PY
 - Volume effect
 - Operational excellence and cost control
- Adjusted EBITDA margin Q4'17 of 35.3%
- Leverage ratio Q4'17: 4.2x



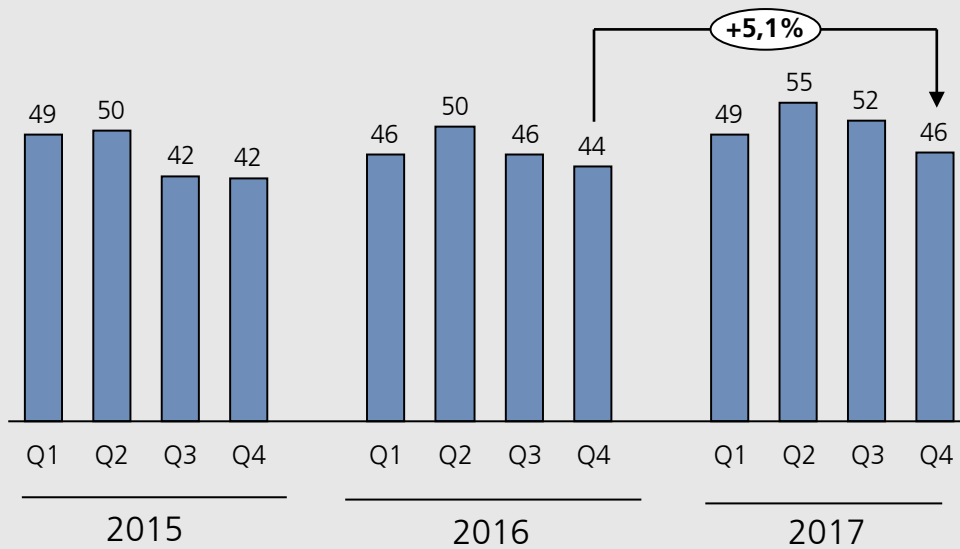
Strong Q4 2017 and Full year 2017 Performance



Ex UK – excluding the UK Electro Ceramics acquisition as of April 2017
 Ex UK & Jub – excluding the UK Electro Ceramics acquisition and the addition in 2016 / release in 2017 of a long-term Jubilee provision
 Note: All figures in EURm at actual rate

Medical and Industrial Sales Trend

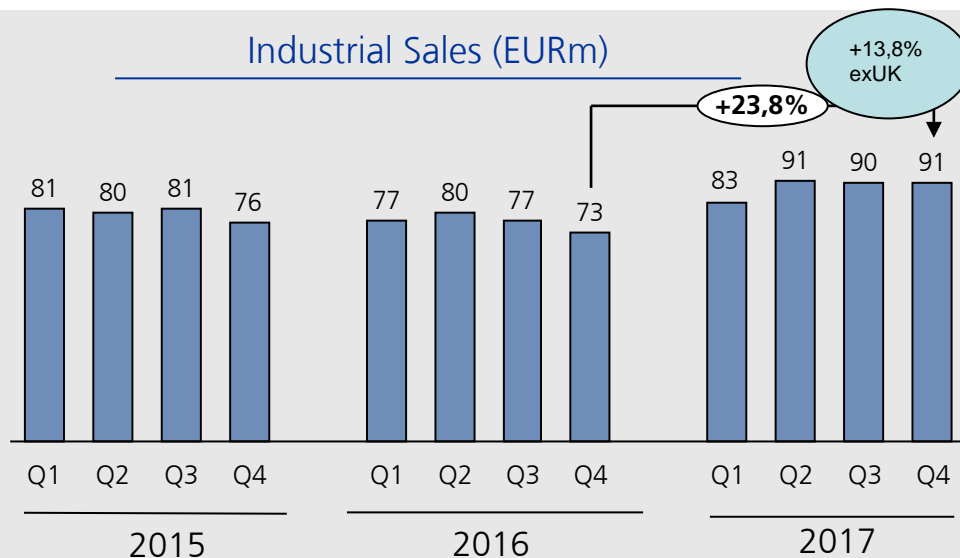
Medical Sales (EURm)



Comments

- Q4'17 Medical Sales: +5.1% above PY
- Q4'17 Volume growth: +7.0% above PY
- YTD'17 Medical Sales: +8.4% above PY
- 1.5m BIOLOX components sold in 2017 (+10.6% vs PY) - market reverting to growth fundamentals
- Raising awareness of toxicity of CoCr components

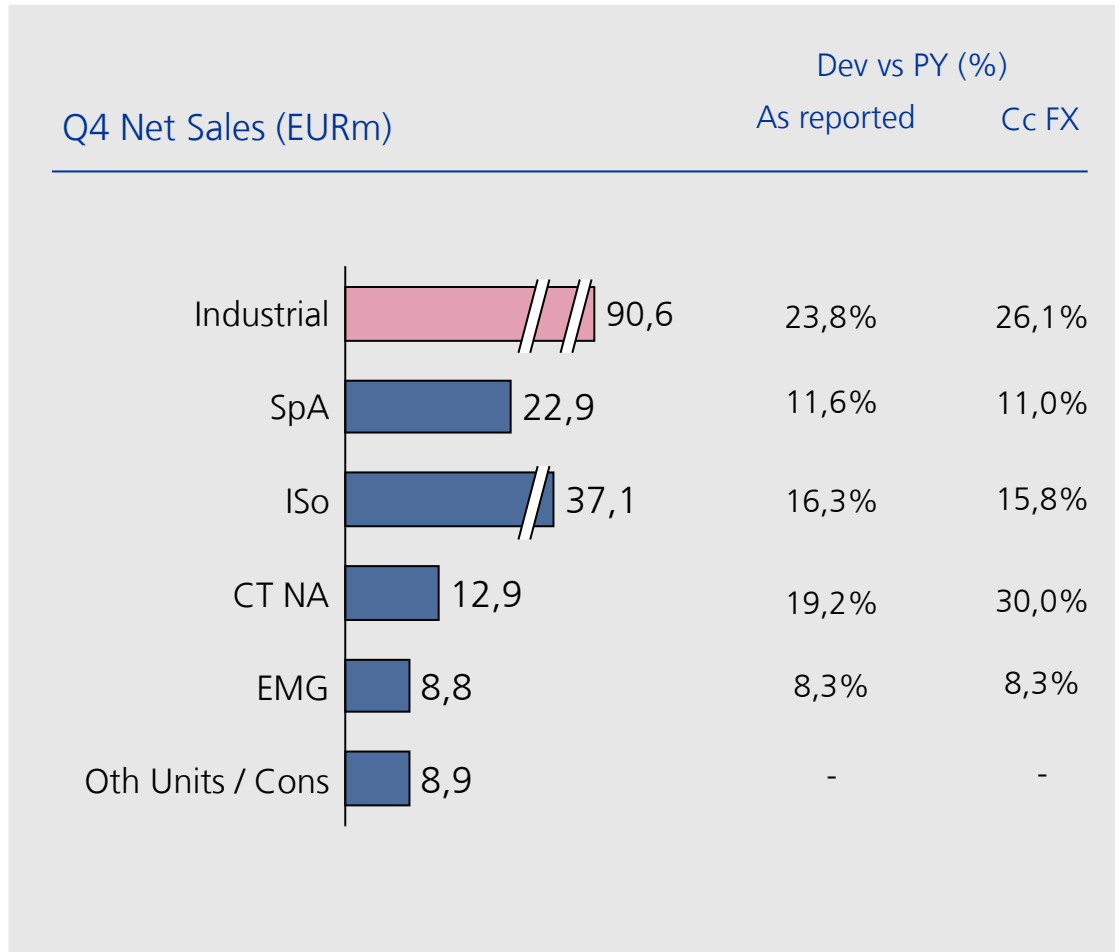
Industrial Sales (EURm)



Comments

- Q4'17 Industrial Sales: +23.8% vs. PY
- Sales growth in Q4 resulting from:
 - Good performance across businesses
 - CT UK acquisition (+13.8% organic growth)
- YTD'17 Industrial Sales: +15.4% above PY (+8.4% excluding CT UK)

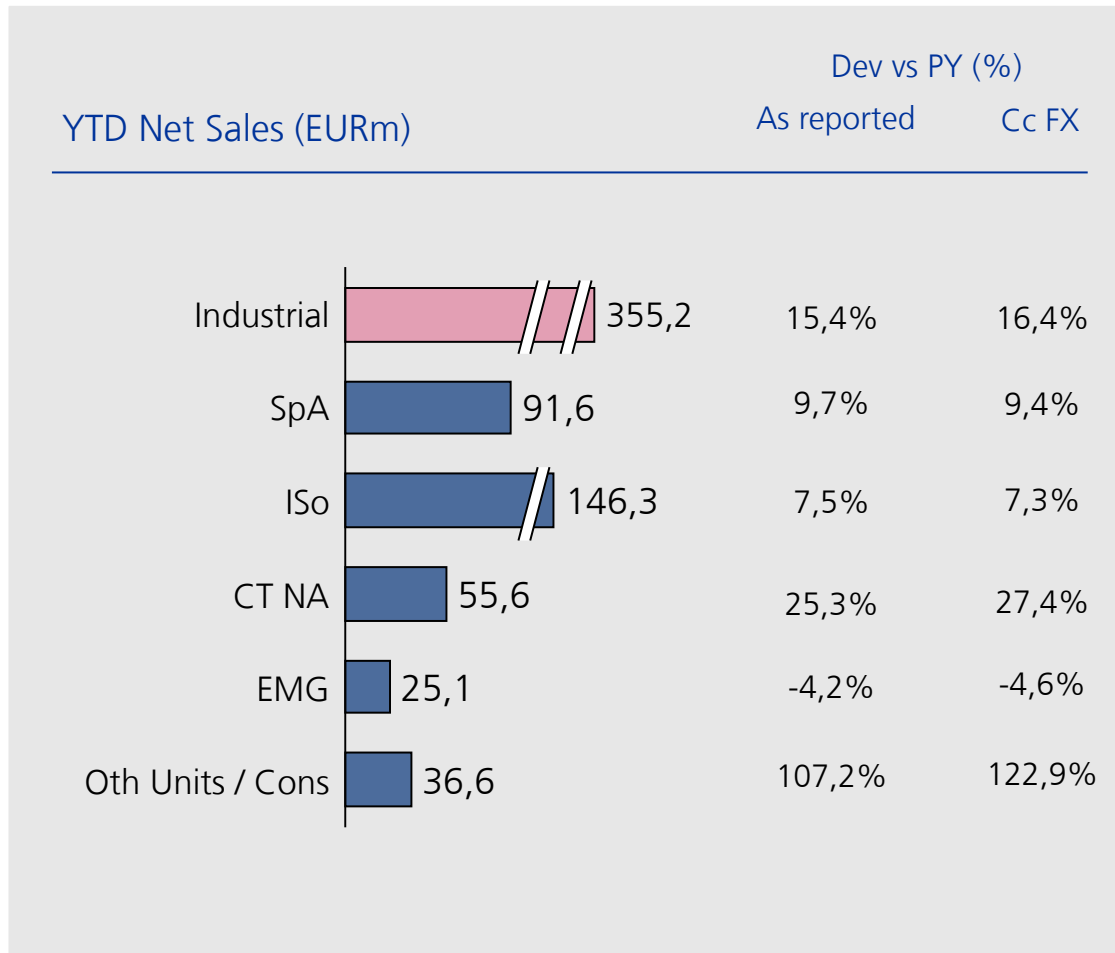
Q4 2017 Industrial Sales



Comments

- Q4'17 Special Applications growth driven by:
 - Strong textile market
 - Cutting tools - hard gear applications
- Q4'17 Industrial Solutions growth driven by:
 - Substrates for electronics and automotive
 - Cartridges for water faucets
 - Partly offset by piezo projects phasing
- Q4'17 North America growth driven by:
 - Overall strong US market conditions
 - Global EOC market upswing
- Q4'17 Emil Mueller Group driven by demand phasing
- Other affiliates: higher sales in China
- UK Electro Ceramics according to plan
- Q4'17 Industrial Organic growth: +13.8% (+15.9% cc fx)

YTD 2017 Industrial Sales



Comments

- Overall strong performance across markets reflecting Q4 trends
- Emil Mueller Group decrease due to missing volumes at key customer

Q4 2017 Management Financials

In EURm	Q4 2017	Q4 2016	Δ
Net Sales	136,6	116,9	16,8%
Medical Products	46,0	43,7	5,1%
Industrial	90,6	73,2	23,8%
Gross Profit ⁽¹⁾	68,9	60,6	13,8%
<i>as % of Sales</i>	50,5%	51,8%	
SG&A⁽¹⁾	-20,9	-19,3	8,4%
<i>as % of Sales</i>	-15,3%	-16,5%	
Other Inc./Exp.⁽¹⁾	0,1	0,1	8,9%
<i>as % of Sales</i>	0,1%	0,1%	
Adj. EBITDA	48,1	41,4	16,3%
<i>as % of Sales</i>	35,3%	35,4%	

(1) w/o Depreciation and Amortisation

Comments

- Q4'17 Sales growth:
 - Volume growth both segments
 - Industrial growing faster than Medical
 - Limited price erosion in both segments, in line with historical trends
- Q4'17 Gross margin: -1.3%pts vs PY due to mix - Industrial growing faster than Medical
- Q4'17 SG&A: ongoing cost control in sales and R&D resulting in improving SG&A to sales ratio (+1.2%pts vs. PY)
- Adj. EBITDA margin at 35.3% on PY level
- Adj. EBITDA excluding CT UK and excluding contribution of jubilee provision in 2016 showing an organic growth of +1.9%

YTD 2017 Management Financials

In EURm	FY 2017	FY 2016	Δ
Net Sales	556,3	493,3	12,8%
Medical Products	201,2	185,6	8,4%
Industrial	355,2	307,8	15,4%
Gross Profit ⁽¹⁾	292,2	254,7	14,7%
<i>as % of Sales</i>	52,5%	51,6%	
SG&A⁽¹⁾	-85,6	-83,6	2,3%
<i>as % of Sales</i>	-15,4%	-16,9%	
Other Inc./Exp.⁽¹⁾	0,0	0,3	-97,2%
<i>as % of Sales</i>	0,0%	0,1%	
Adj. EBITDA	206,7	171,4	20,6%
<i>as % of Sales</i>	37,2%	34,7%	

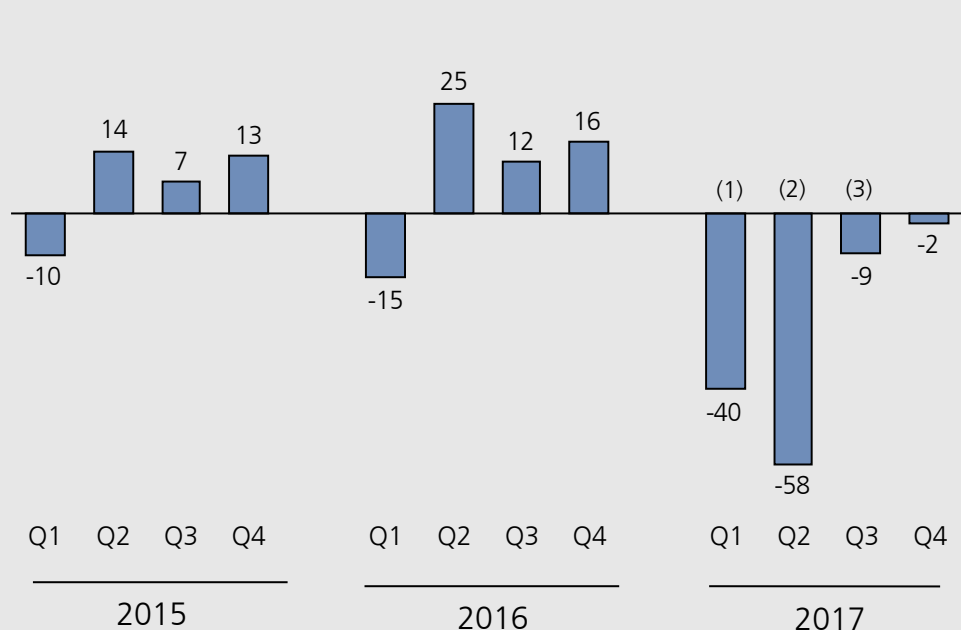
(1) w/o Depreciation and Amortisation

Comments

- YTD'17 Sales growth:
 - Volume growth in both segments
 - Industrial growing faster than Medical (organic growth at same level)
 - Limited price erosion in both segments, in line with historical trends
- YTD'17 Gross margin: +0.9%pts vs. PY
 - Operations at high volumes with good fixed cost absorption
 - Continuous productivity improvements keeping up with factor cost and price effects
 - Negatively impacted by mix shifting to Industrial
- YTD'17 SG&A improving by +1.5%pts as share of sales - refocused R&D as well as ongoing cost control
- YTD'17 Adj. EBITDA margin: +2.5%pts vs PY (like for like stable vs. PY)

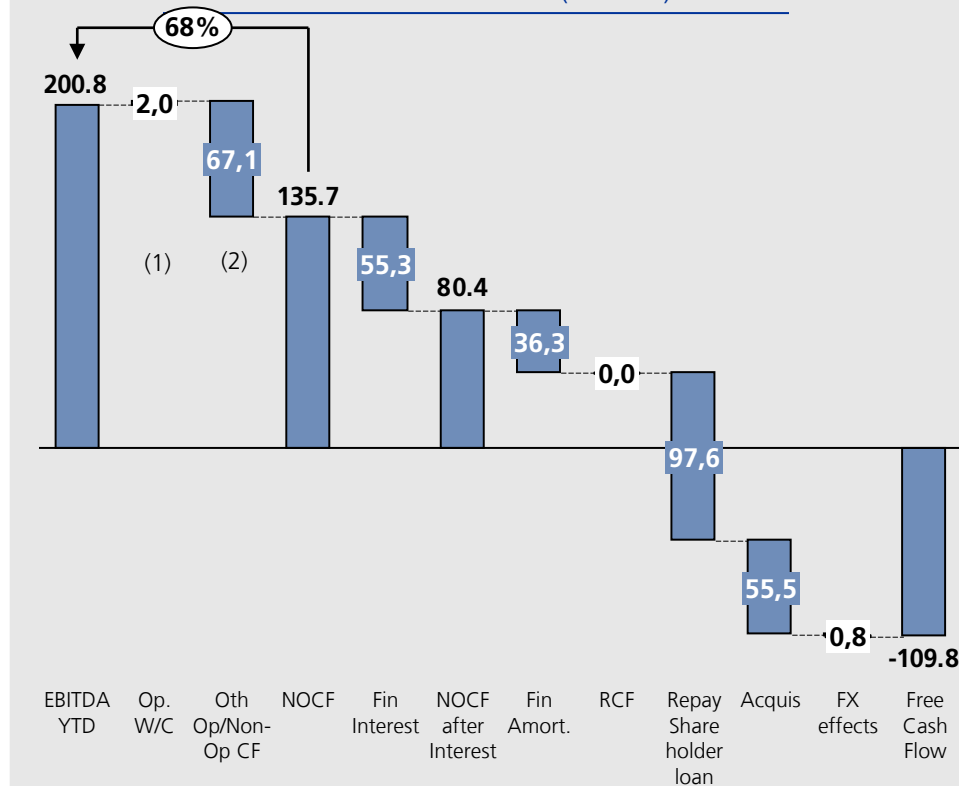
YTD 68% Operational Cash Conversion

FCF Development (EURm)



- (1) EUR -40,5m cash outflow includes the distribution of EUR -56.5m which has been made out of the group as a repayment of the shareholder loan (principal EUR 52,8m and accrued interest 3,7m), financing activities EUR -25,2m and cash received from drawing of revolver loan EUR 16.0m
- (2) EUR -57.8m cash outflow includes the acquisition of UK Electro Ceramics EUR -55.5m, repayment of revolver loan EUR -16.0m and repayment loan and interest EUR -15.4m offset by cash received from factoring EUR +5.2m
- (3) EUR -9.3m cash outflow includes a EUR -48.9m reimbursement of shareholder loan completed in July 2017(EUR -48.7m principal plus EUR -0.2m interest accrued), financing activities EUR -27,3m and cash received from drawing of revolver loan EUR 22.0m

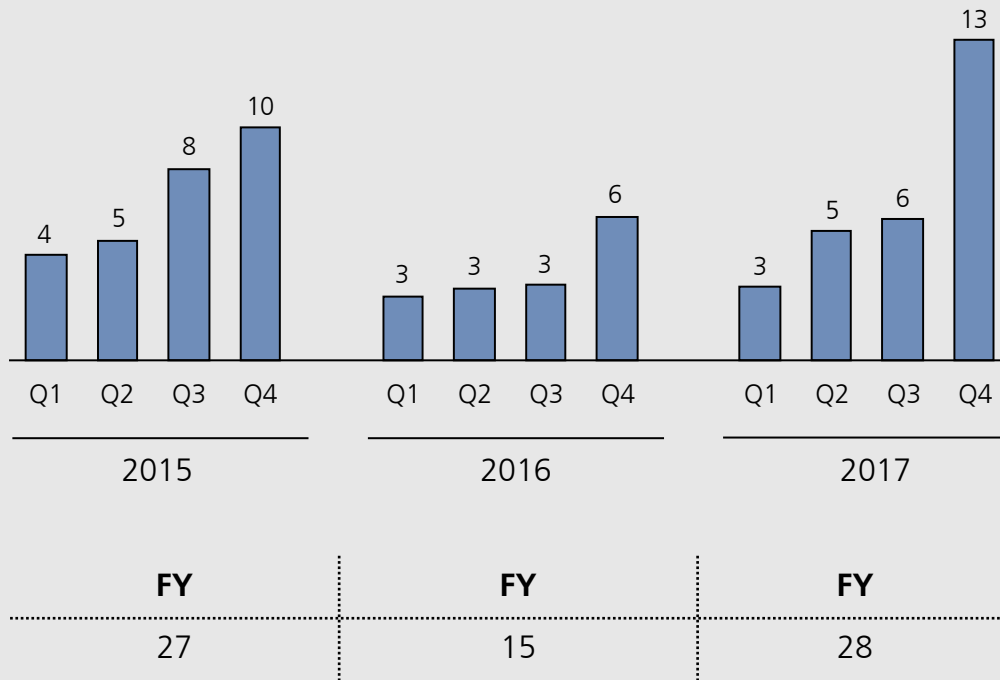
FCF – YTD 2017 (EURm)



- (1) Sold to Factor EUR 12.8m, cash received from Factoring EUR 11.0m
- (2) Including mainly EUR -26.1m Investing, EUR -22.7m Tax, EUR -18.3m change in other provisions/assets/liabilities

Net Capex Development

Net Capex (EURm)

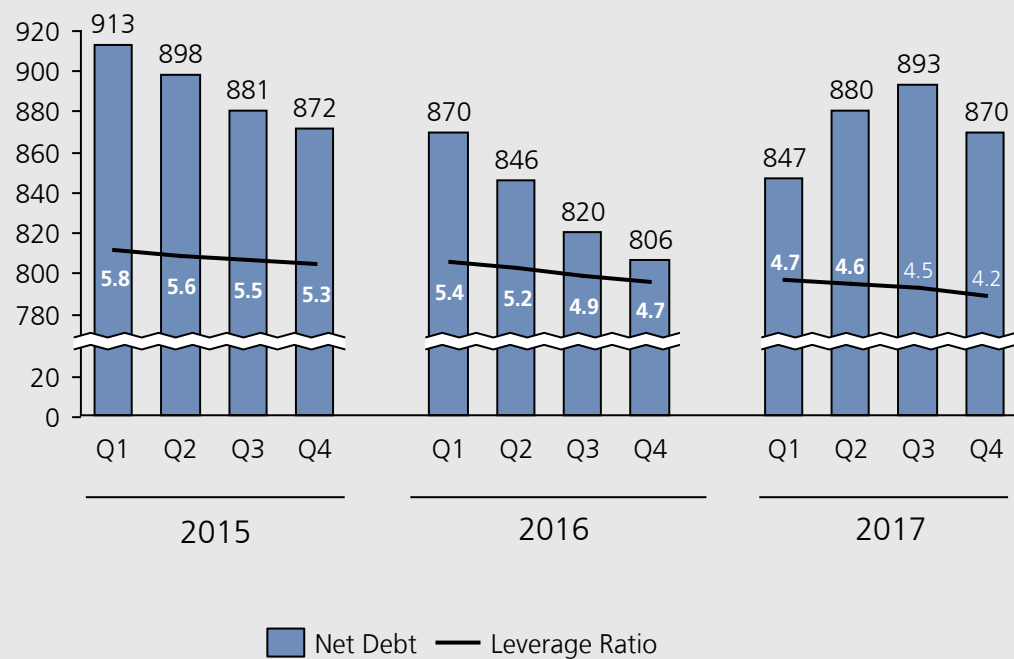


Comments

- Net Capex in Q4'17 amounted to EUR 13.2m in comparison to EUR 5.9m in Q4'16
- Net Capex accelerated in Q4 in line with plan and phasing of projects

Net Debt And Leverage Ratio

Net Financial Debt (EURm)



EURm

Dec 30, 2016 Dec 30, 2017

Senior Debt	672,8	588,0
Bonds	306,7	306,7
Other	0,0	0,0
Revolver	0,0	0,0
M2M Currency Swap ⁽¹⁾	-60,1	-21,2
Accrued Interests	11,6	11,4
Gross Debt	931,0	884,8
- Cash	-124,6	-14,8
Total Net Debt	806,4	870,1
LTM adj. EBITDA	171,4	206,7
Leverage Ratio	4,7	4,2

(1) Mark to Market Currency Swap available on a quarterly basis



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