



Investor Call

Q1 2018

Plochingen, July 4, 2018 - public-side information only

CEO – Dr. Hadi Saleh

CFO – Dominique Janbon

Investor Call – 2018 Q1 Financial Information Disclaimer

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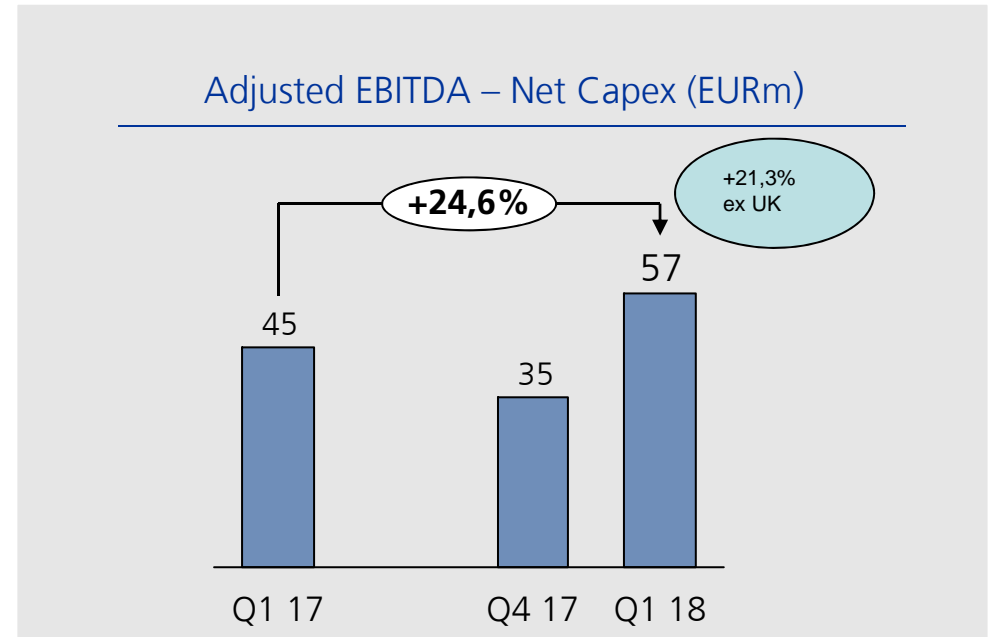
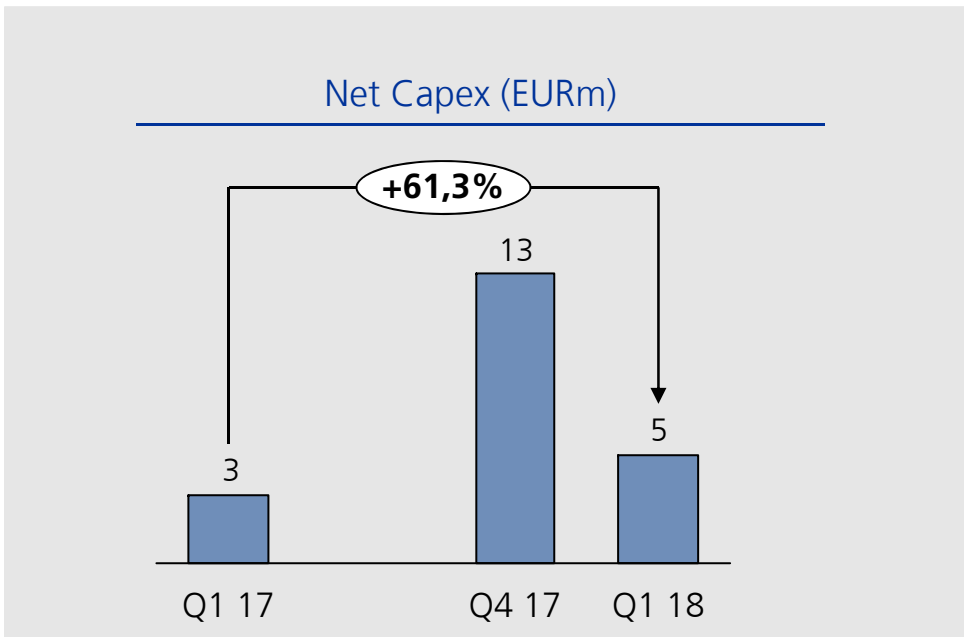
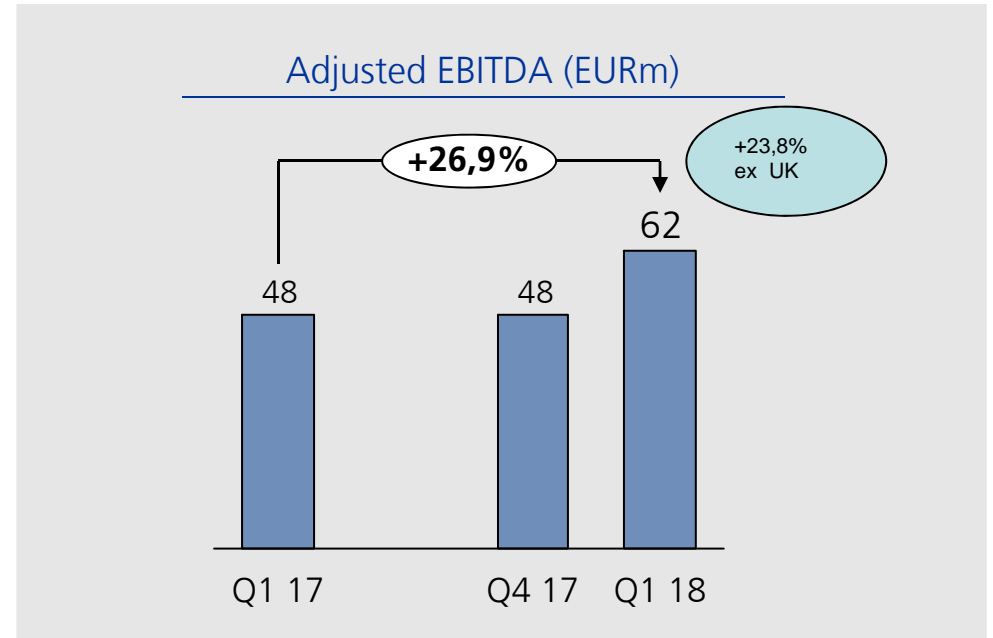
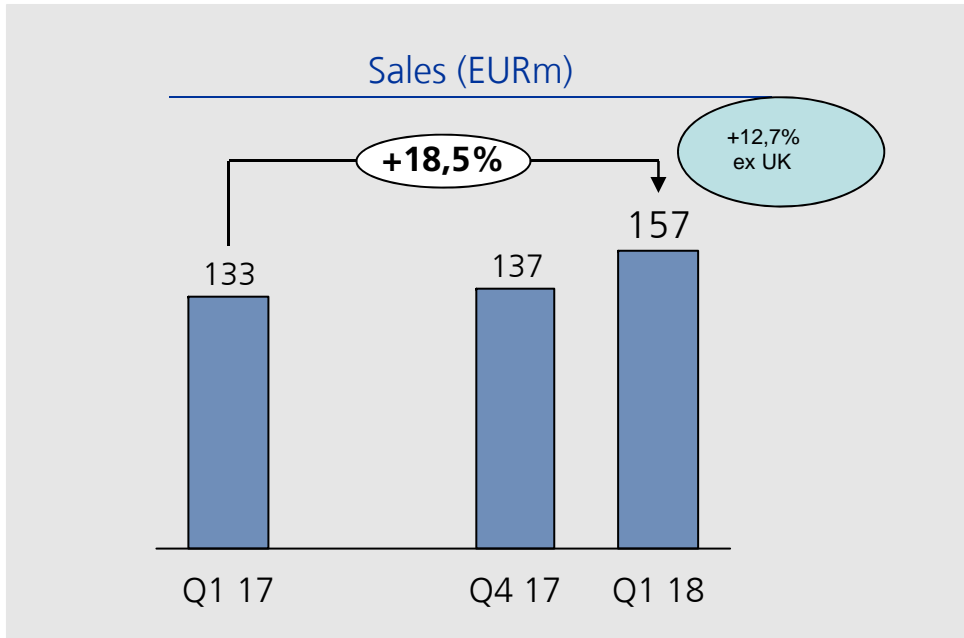
Overview of Q1 Performance



- Group Sales Q1'18: EUR 157m +18.5% vs. PY
 - Strong market conditions
 - CT UK acquisition (+12.7% organic growth)
- Medical Products Sales Q1'18: EUR 59m +19.6% vs. PY driven by volumes and mix
- Industrial Sales Q1'18: EUR 98m +17.8% vs PY with good performance across markets, especially Textile machinery and electronics (+8.7% organic growth)
- Group Adjusted EBITDA Q1'18: EUR 62m +26.9% vs. PY
 - Volume and mix effect, limited price effects
 - Operational excellence and cost control
- Adjusted EBITDA margin Q1'18 of 39.2%
- Leverage ratio Q1'18: 6.9x comprising the new financing structure

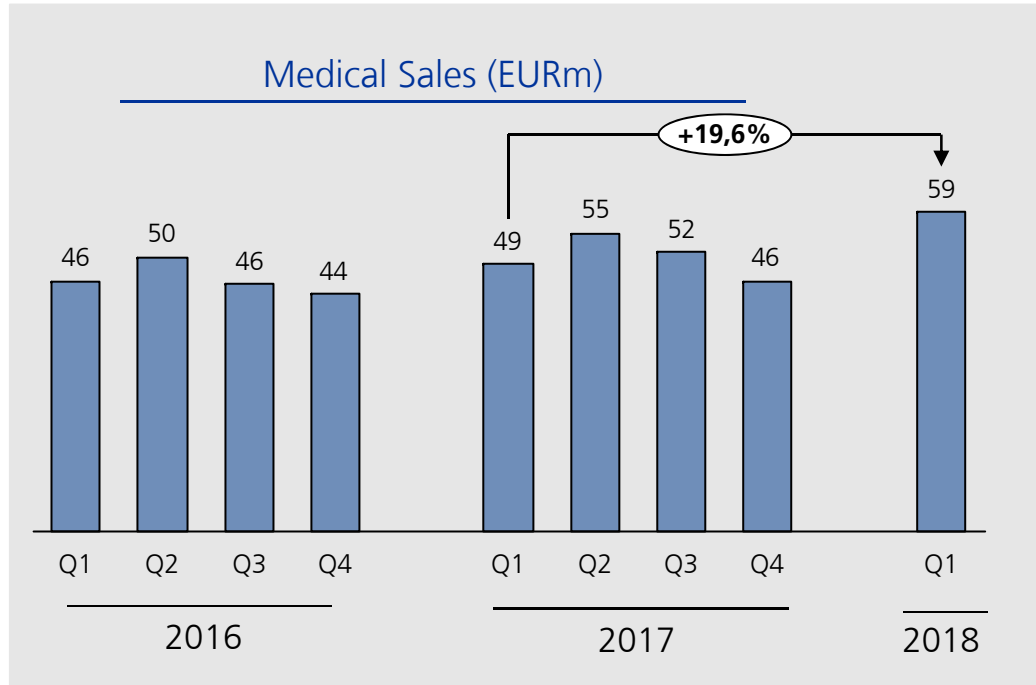


Strong Q1 2018 Performance



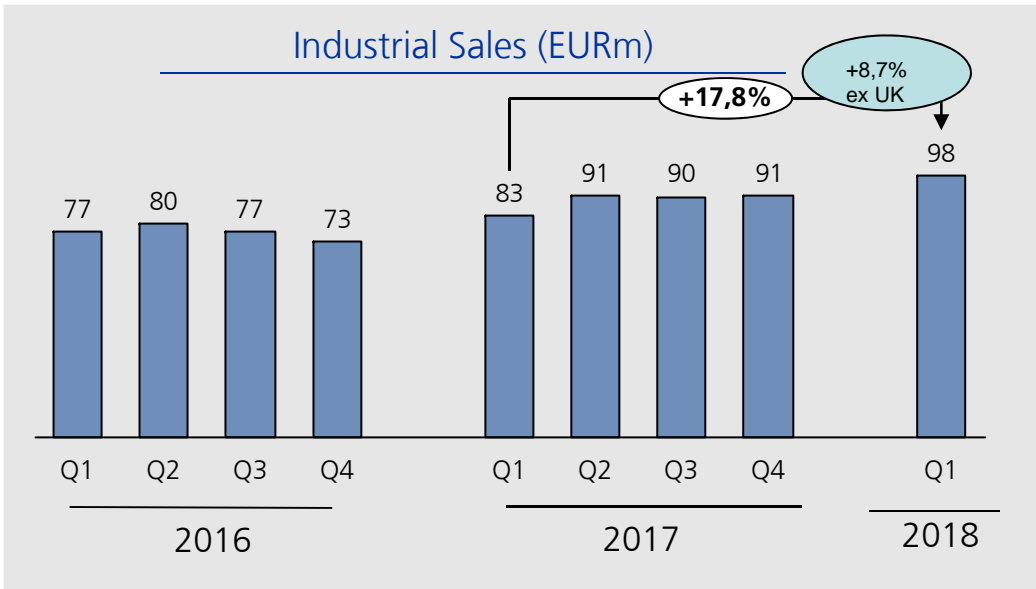
Ex UK – excluding the UK Electro Ceramics acquisition as of April 2017
Note: All figures in EURm at actual rate

Medical and Industrial Sales Trend



Comments

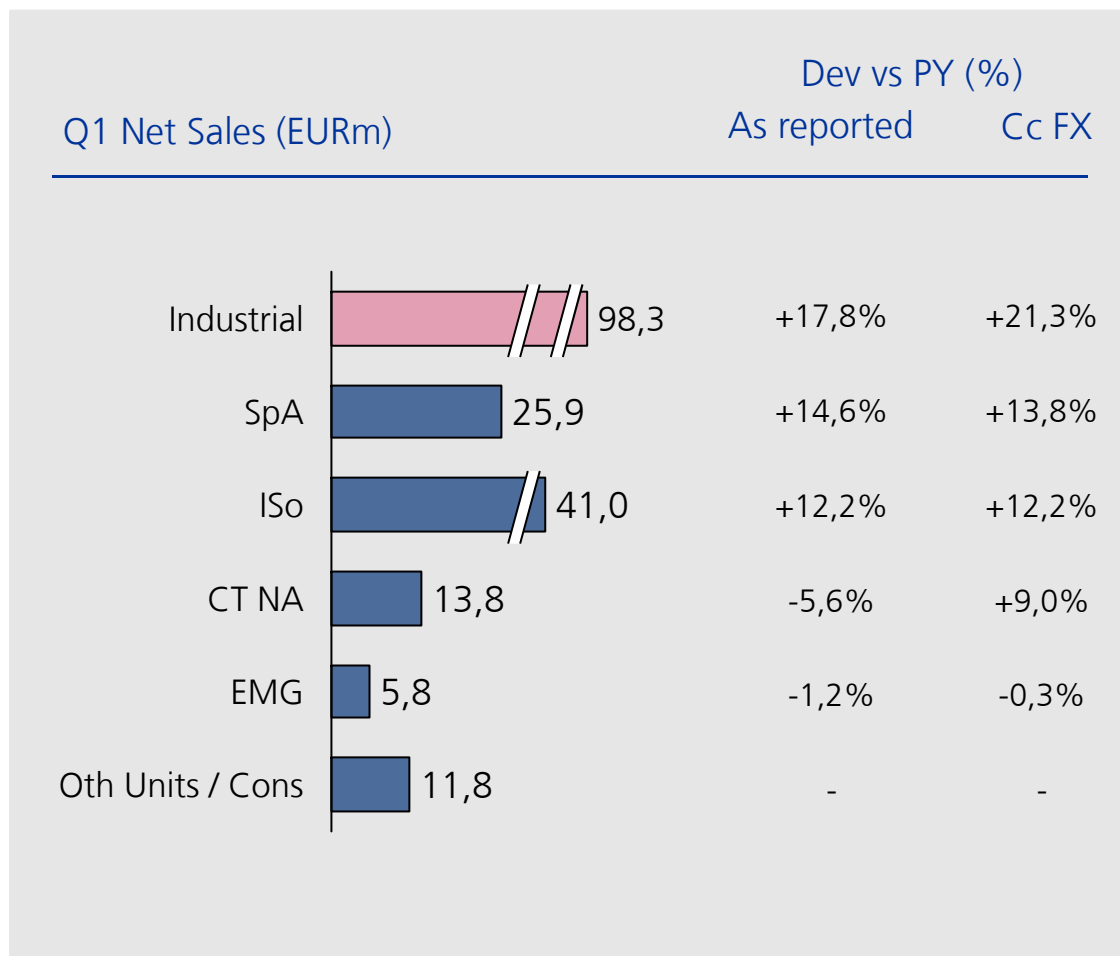
- Q1'18 Medical Sales: +19.6% above PY
- Q1'18 Components sold +20.3% above PY
- Market fundamentals continue in line with 2017 trend, with raising awareness of toxicity and sensitivity to Cobalt Chrome providing additional tail wind
- Additional one-off positive effect from an emerging market customer



Comments

- Q1'18 Industrial Sales: +17.8% vs. PY
- Sales growth in Q1 resulting from:
 - Good performance across most businesses
 - CT UK acquisition (+8.7% organic growth)

Q1 2018 Industrial Sales



Comments

- Q1'18 Specialty Applications growth driven by:
 - Strong textile market
- Q1'18 Industrial Solutions growth driven by:
 - Substrates for electronics and automotive
- Q1'18 North America growth (+9.0% ccFX) driven by:
 - Overall strong US market conditions
- UK Electro Ceramics according to plan

Q1 2018 Management Financials

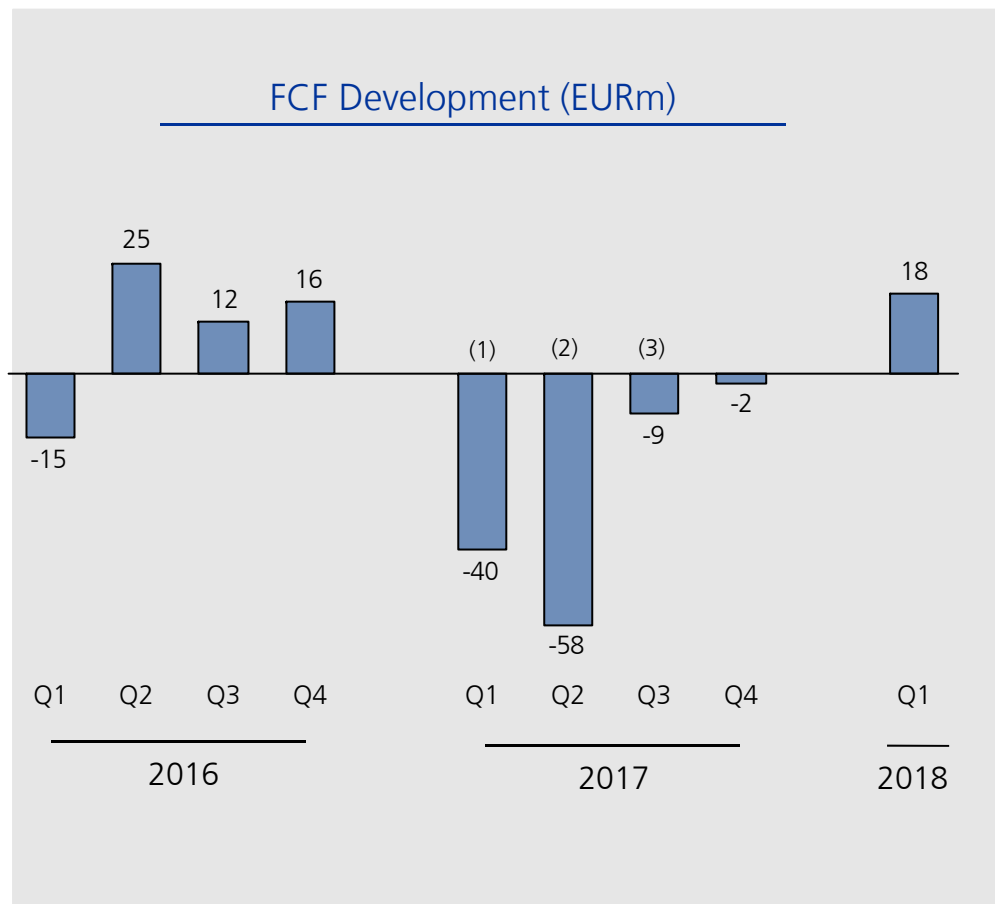
In EURm	Q1 2018	Q1 2017	Δ
Net Sales	157,0	132,5	18,5%
Medical Products	58,7	49,1	19,6%
Industrial	98,3	83,4	17,8%
Gross Profit ⁽¹⁾	85,0	70,5	20,5%
<i>as % of Sales</i>	54,1%	53,2%	
SG&A⁽¹⁾	-23,2	-22,0	5,6%
<i>as % of Sales</i>	-14,8%	-16,6%	
Other Inc./Exp.⁽¹⁾	-0,2	0,0	- %
<i>as % of Sales</i>	-0,1%	0,0%	
Adj. EBITDA	61,5	48,5	26,9%
<i>as % of Sales</i>	39,2%	36,6%	

(1) w/o Depreciation and Amortisation

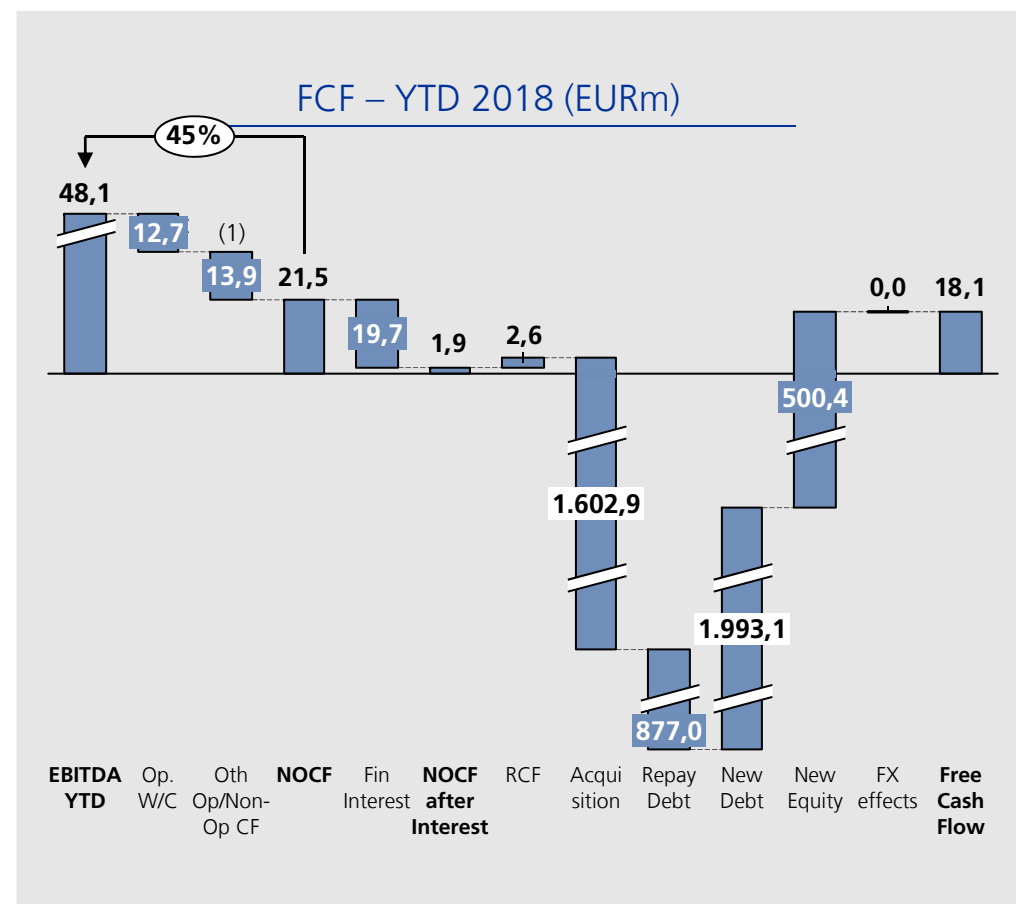
Comments

- Q1'18 Sales growth:
 - Volume growth both segments
 - Medical growing faster than Industrial
 - Limited price erosion in both segments, in line with historical trends
- Q1'18 Gross margin: +0.9%pts vs PY due to mix - Medical growing faster than Industrial and benefitting from productivity measures and higher capacity utilization
- Q1'18 SG&A: ongoing cost control with careful cost increase reflecting the market conditions, partly offset by the UK impact
- Adj. EBITDA margin at 39.2%
- Adj. EBITDA ex CT UK showing an organic growth of +23.8%

YTD 45% Operational Cash Conversion



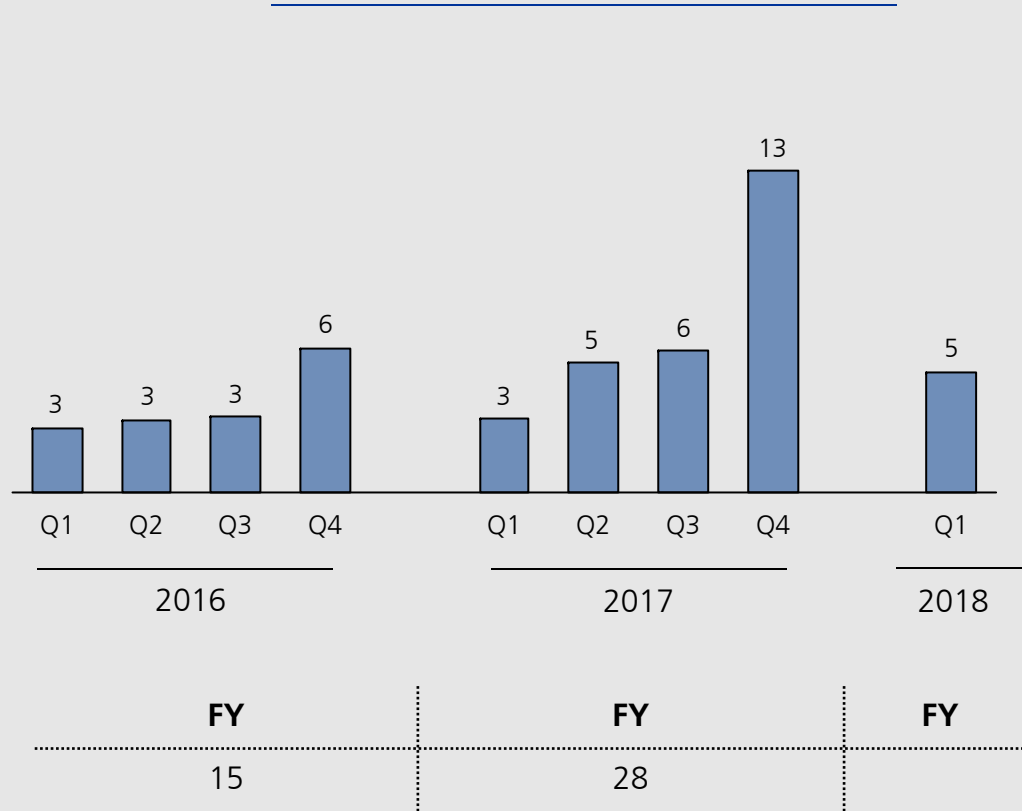
- (1) EUR -40,5m cash outflow includes the distribution of EUR -56.5m which has been made out of the group as a repayment of the shareholder loan (principal EUR 52,8m and accrued interest 3,7m), financing activities EUR -25,2m and cash received from drawing of revolver loan EUR 16.0m
- (2) EUR -57.8m 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



- (1) Including mainly EUR -7.5m Investing, EUR -5.1m Tax, EUR -1.3m change in other provisions/assets/liabilities

Net Capex Development

Net Capex (EURm)

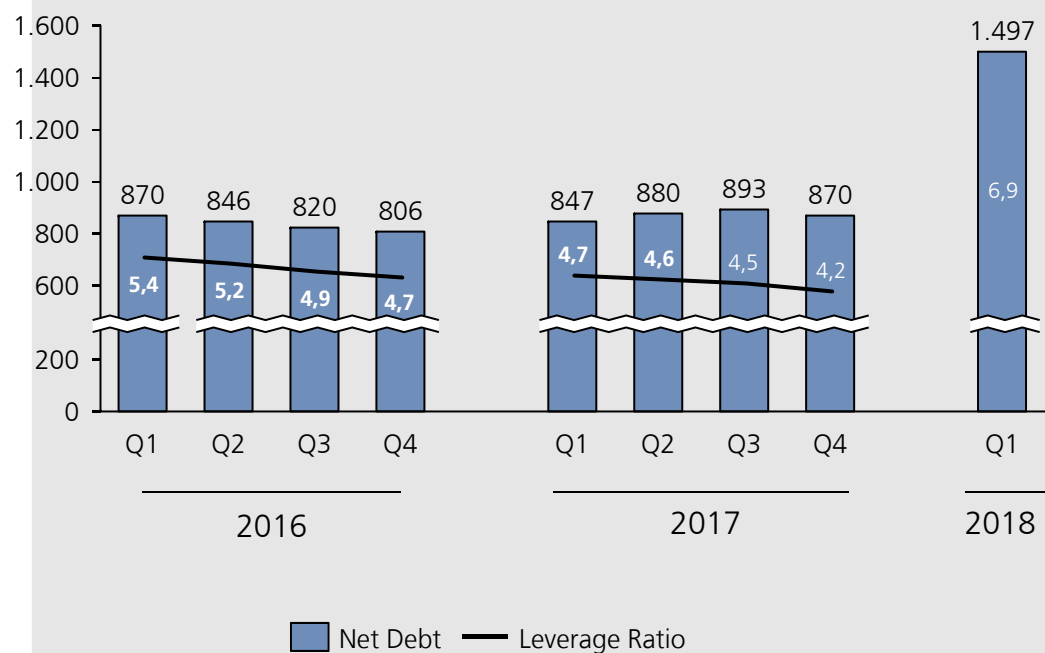


Comments

- Net Capex in Q1'18 amounted to EUR 4.9m in comparison to EUR 3.1m in Q1'17
- Reflecting project phasing in overall strong market environment

Net Debt And Leverage Ratio

Net Financial Debt (EURm)



EURm	Mar 31, 2017	Mar 31, 2018
Senior Debt	657,1	1.112,0
Bonds	306,7	406,0
Other	0,0	0,0
Revolver	16,0	2,6
M2M Currency Swap ⁽¹⁾	-54,3	-
Accrued Interests	5,2	8,8
Gross Debt	930,7	1.529,4
- Cash	-84,1	-32,8
Total Net Debt	846,6	1.496,6
LTM pro forma adj. EBITDA ⁽²⁾	178,6	215,6
Leverage Ratio	4.7x	6.9x

- (1) Mark to Market Currency Swap available in 2017 on a quarterly basis
 (2) LTM pro forma adj EBITDA including the reversal of €4.1 million income from the release of a jubilee provision)



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