



# Investor Call

## Q1 2019

**Plochingen, May 29, 2019 - public-side information only**

CEO – Dr. Hadi Saleh

CFO – Eric Oellerer

# Investor Call – 2019 Q1 Financial Information

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# Overview of Q1 Performance

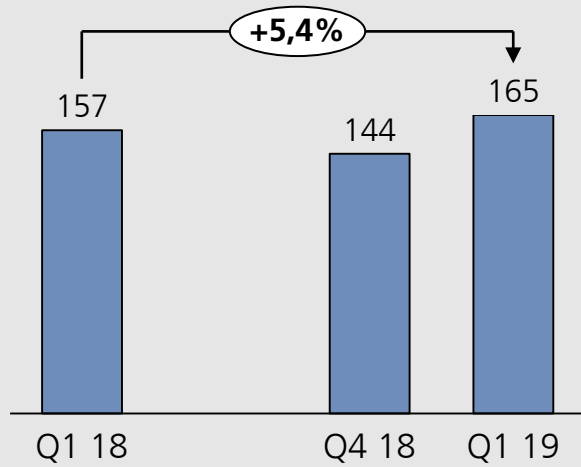


- Group Sales Q1'19: EUR 165m +5.4% vs. PY
- Medical Products Sales Q1'19: EUR 68m +16.1% vs. PY driven by strong volumes and favourable mix
- Industrial Sales Q1'19: EUR 97m -1.0% vs PY with softer demand in construction and automotive, offset by good development in textile and catalyst carriers, stable electronics demand
- Group Adjusted EBITDA Q1'19: EUR 66m +8.0% vs. PY, increase coming from
  - Volume and mix effect, limited price effects
  - Operational excellence and cost control
- Adjusted EBITDA margin Q1'19 of 40.1%
- Total Net debt Leverage ratio Q1'19: 6.3x

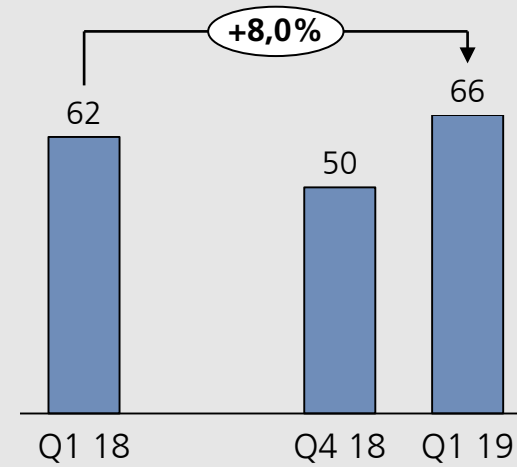


# Strong Q1 2019 Performance

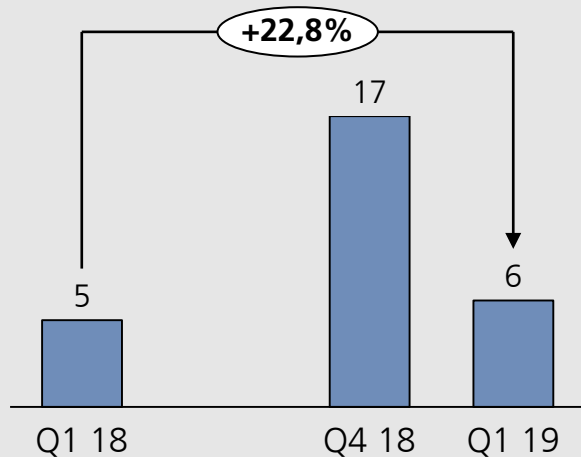
Sales (EURm)



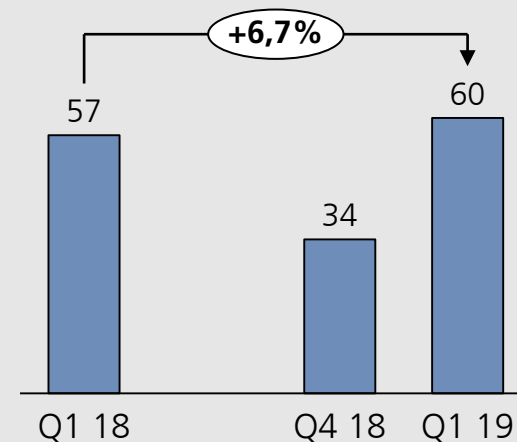
Adjusted EBITDA (EURm)



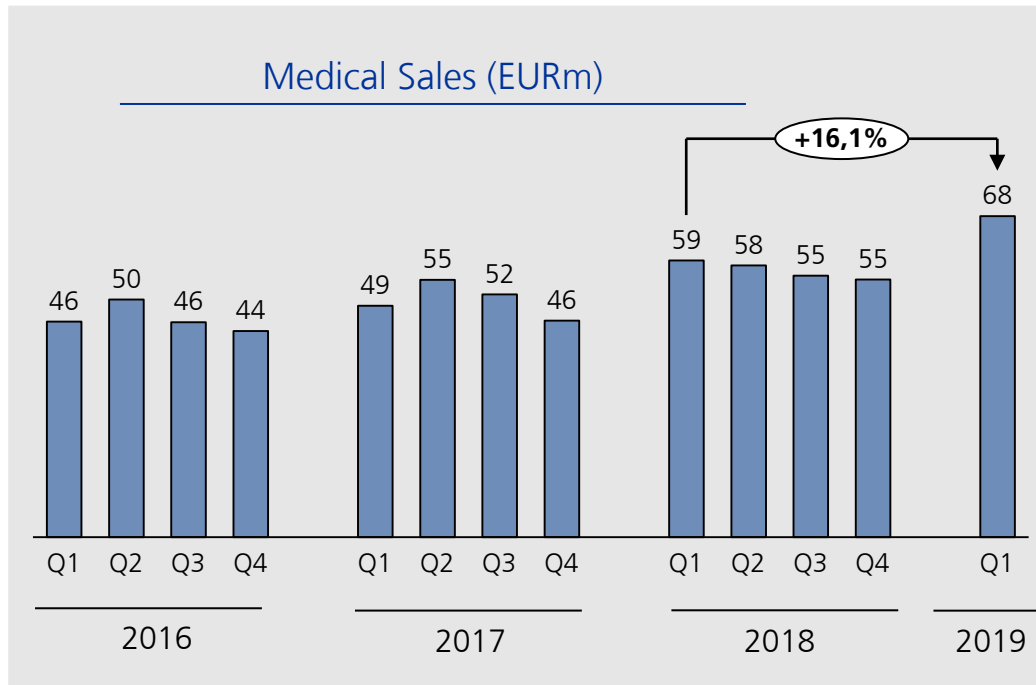
Net Capex (EURm)



Adjusted EBITDA – Net Capex (EURm)

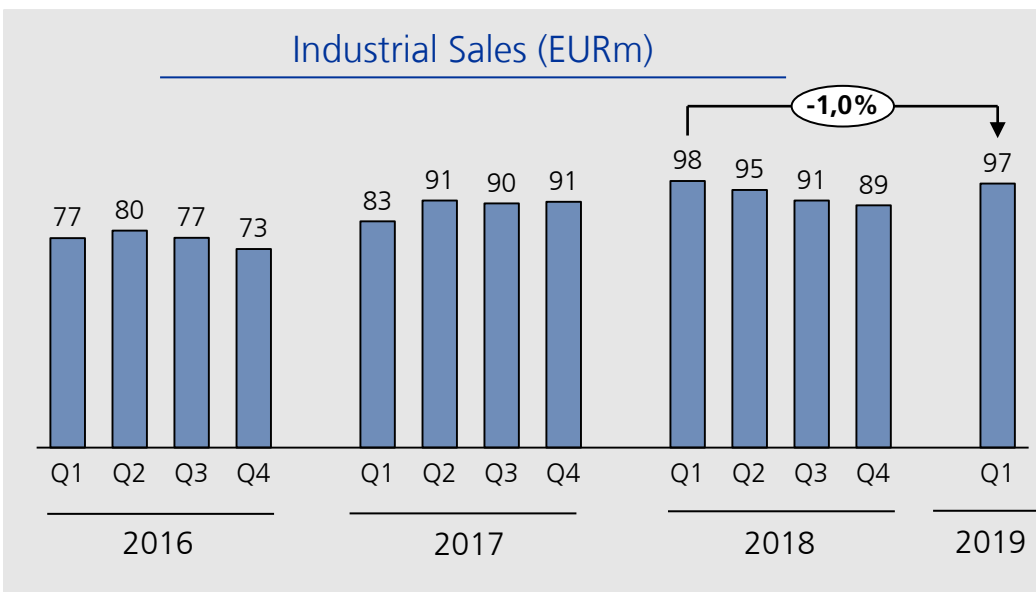


# Medical and Industrial Sales Trend



## Comments

- Q1'19 Medical Sales vs. PY is mainly coming from higher sales to China and strong demand from top customers
- Q1'19 Components sold +23.2% above PY
- Market fundamentals unchanged



## Comments

- Q1'19 Industrial Sales -1.0% vs. PY
- Demand slightly below PY driven by:
  - lower volumes for automotive and construction markets
  - offset by strong textile and catalyst carrier demand
  - stable electronics deliveries
- Reorganized commercial teams along end industries in Europe: Mobility, Electronics, Industrial applications

# Q1 2019 Management Financials

In EURm	Q1 2019	Q1 2018	Δ
<b>Net Sales</b>	<b>165,5</b>	<b>157,0</b>	<b>5,4%</b>
Medical Products	68,1	58,7	16,1%
Industrial	97,3	98,3	-1,0%
<b>Gross Profit <sup>(1)</sup></b>	<b>88,1</b>	<b>85,0</b>	<b>3,7%</b>
<i>as % of Sales</i>	53,3%	54,1%	
<b>SG&amp;A<sup>(1)</sup></b>	<b>-21,7</b>	<b>-23,2</b>	<b>-6,5%</b>
<i>as % of Sales</i>	-13,1%	-14,8%	
<b>Other Inc./Exp.<sup>(1)</sup></b>	<b>0,0</b>	<b>-0,2</b>	<b>-109,5%</b>
<i>as % of Sales</i>	0,0%	-0,1%	
<b>Adj. EBITDA</b>	<b>66,4</b>	<b>61,5</b>	<b>8,0%</b>
<i>as % of Sales</i>	<b>40,1%</b>	39,2%	

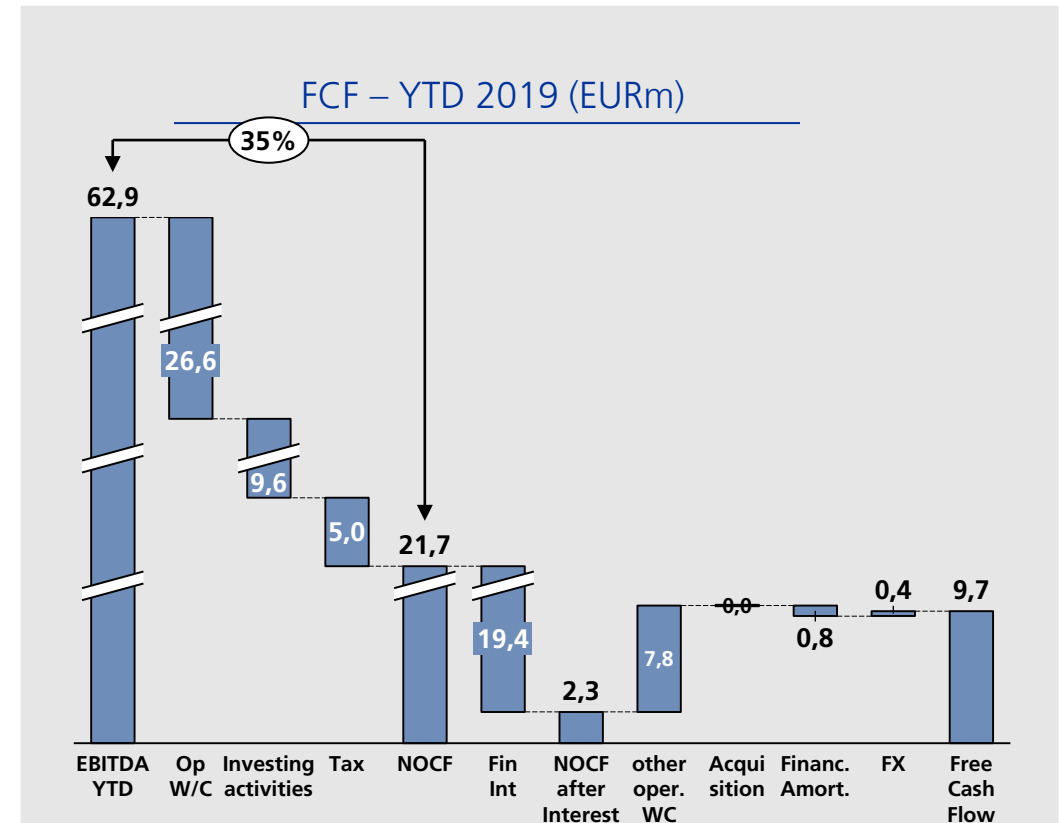
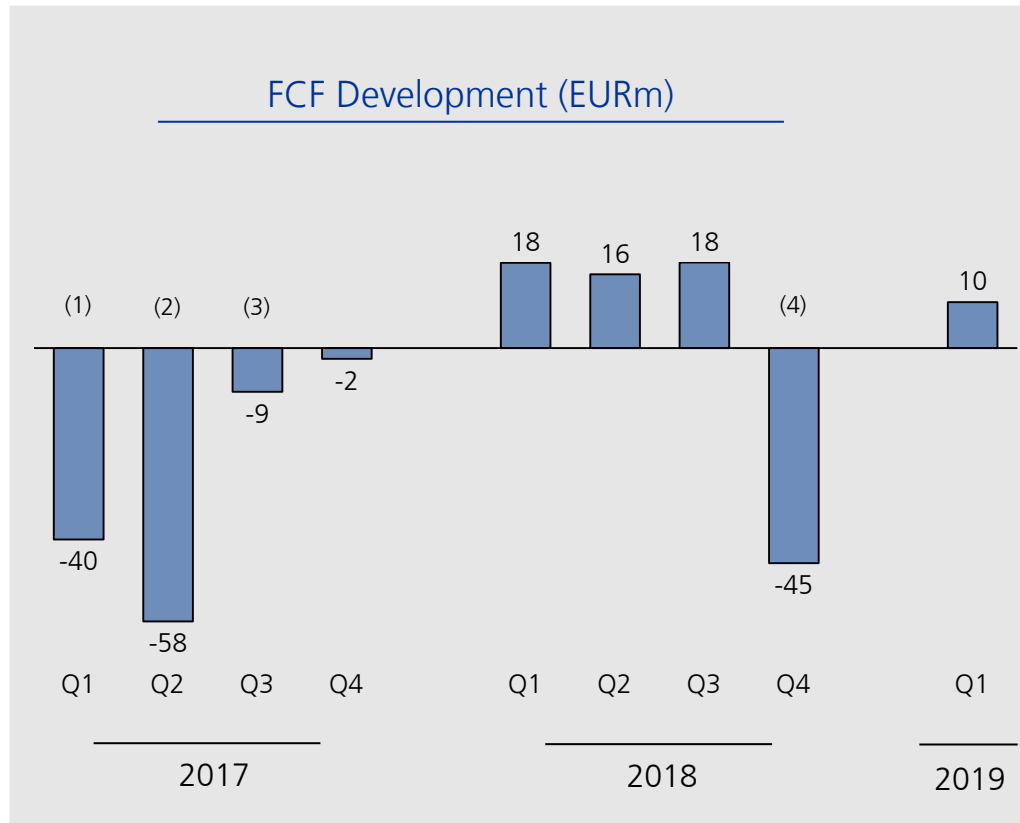
(1) w/o Depreciation and Amortisation

## Comments

- Q1'19 Sales growth:
  - Medical is the driver for the increase
  - Limited price erosion in both segments, in line with historical trends
- Q1'19 Gross margin: -0.8%pts vs PY, mix with Medical growing faster than Industrial and ongoing productivity measures offset by less favourable product mix within Industrial
- Q1'19 SG&A: mainly driven by ongoing cost management
- Adj. EBITDA margin at 40.1%, +0.9%pts vs PY

Note: All figures in EURm at actual FX rate including normalisation adjustments

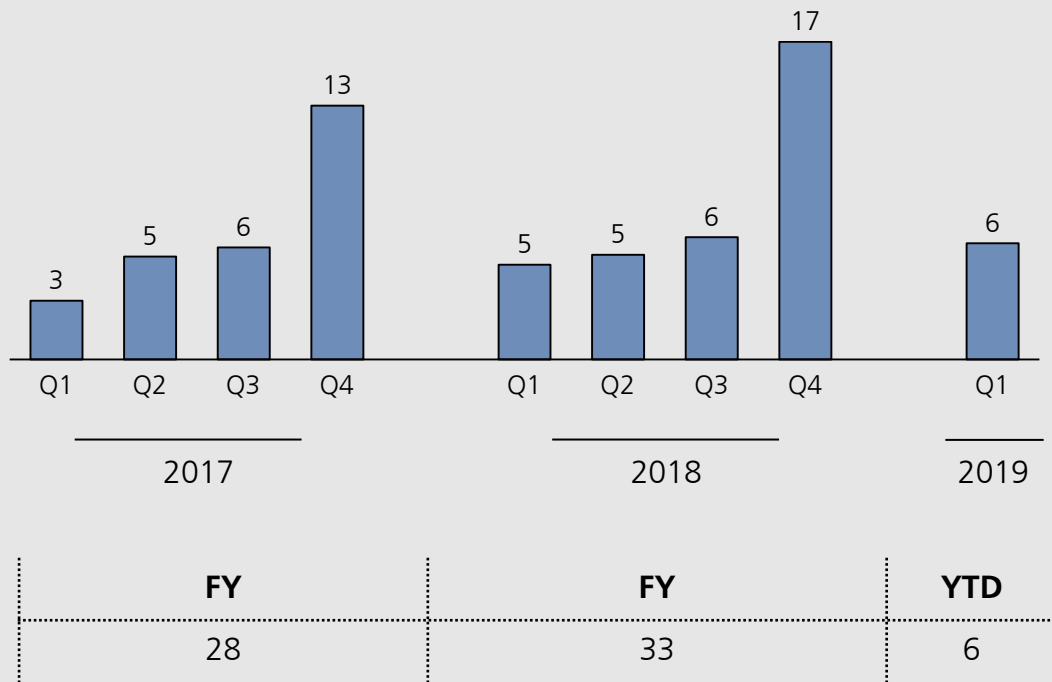
# YTD 35% Operational Cash Conversion



- (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
- (4) EUR -45,5m cash outflow includes voluntary repayment of EUR 32m and USD 15m and a repurchase of bond with face value of EUR 5m at value 96

# Net Capex Development

Net Capex (EURm)



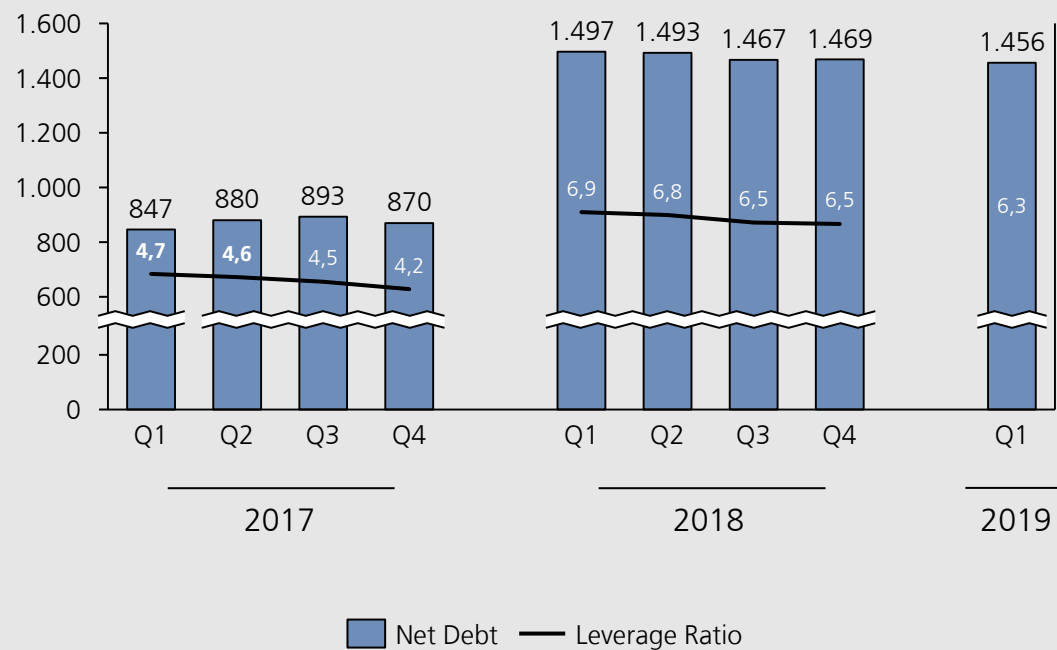
## Comments

- Net Capex in Q1'19 in line with expectations
- Reflecting project phasing
- Capex is split nearly evenly between maintenance and growth with an increased focus on asset productivity



# Net Debt And Leverage Ratio

Net Financial Debt (EURm)



EURm	MAR 31, 2018	MAR 31, 2019
Senior Debt	1.112,0	1.080,4
Bonds	406,0	401,0
Other	0,0	0,0
Revolver	2,6	0,0
Accrued Interests	8,8	5,7
<b>Gross Debt</b>	<b>1.529,4</b>	<b>1.487,1</b>
- Cash	-32,8	-30,7
<b>Total Net Debt</b>	<b>1.496.6</b>	<b>1.456.4</b>
LTM Adj. EBITDA	215,6	231,2
<b>Leverage Ratio</b>	<b>6.9x</b>	<b>6.3x</b>



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