



Investor Call

Q2 2019

Plochingen, August 21, 2019 - public-side information only

CEO – Dr. Hadi Saleh CFO – Eric Oellerer

Investor Call – 2019 Q2 Financial Information

Disclaimer

This document contains statements that constitute forward-looking statements. These statements appear in a number of places in this document and include statements regarding the intent, belief or current expectations of our customers, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activity and situation relating to the Company. The forward-looking statements in this document can be identified, in some instances, by the use of words such as "expects", "anticipates", "intends", "believes", "plan", "seek", "will", "project", and similar language or the negative thereof or by forward-looking nature of discussions of strategy, plans or intentions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and other important factors that could cause actual developments or results to differ materially from those expressed in our forward looking statements. Analysts and investors are cautioned not to place undue reliance on those forward looking statements which speak only as of the date of this presentation. CeramTec undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in the Company's business strategy or to reflect the occurrence of unanticipated events. The financial information contained in this document has been prepared under IFRS. This financial information is unaudited and, therefore, subject to potential future modifications.

Overview of Q2 Performance

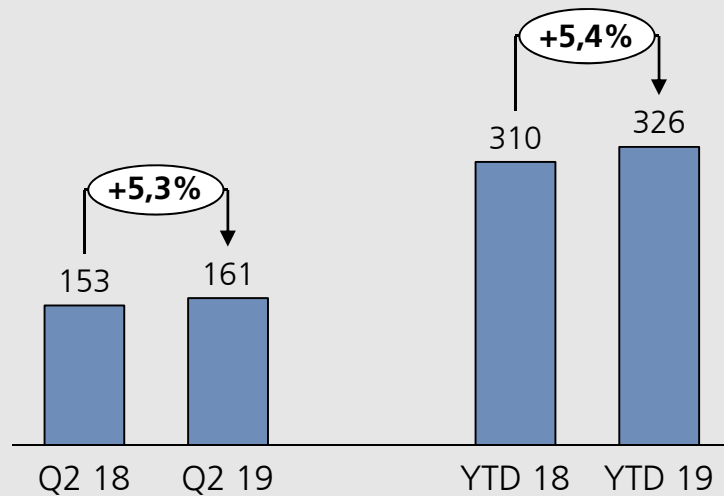


- Group Sales Q2'19: EUR 161m +5.3% vs. PY
- Medical Products Sales Q2'19: EUR 68m +18.4% vs. PY driven by strong volumes and favourable mix
- Industrial Sales Q2'19: EUR 93m -2.6% vs PY with softer demand in construction and automotive, offset by good development in textile and catalyst carriers, stable electronics demand
- Group Adjusted EBITDA Q2'19: EUR 64m +9.4% vs. PY, increase coming from
 - Medical is the driver for the growth
 - Volume and mix effect, limited price effects
 - Operational excellence and cost control
- Adjusted EBITDA margin Q2'19 of 40.1%
- Total Net debt Leverage ratio Q2'19: 6.0x

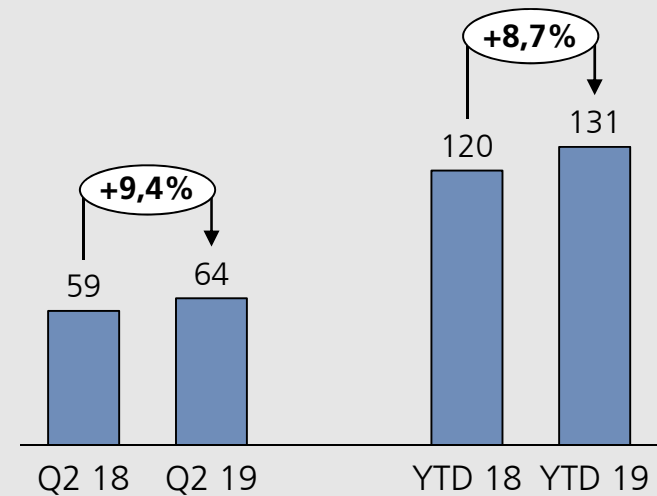


Strong Q2 2019 Performance

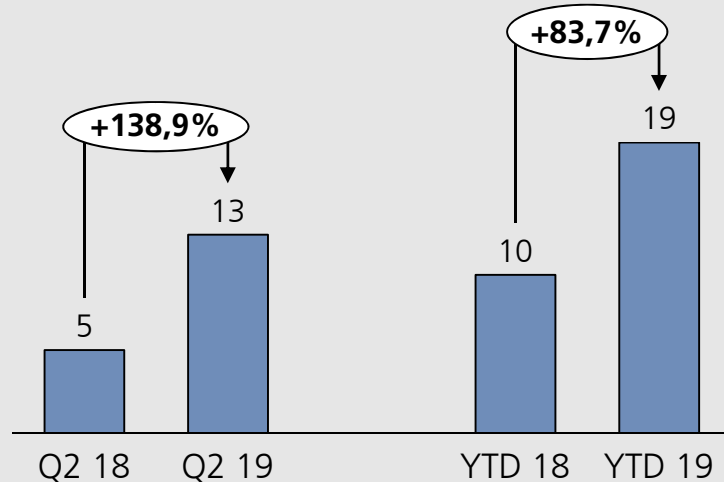
Sales (EURm)



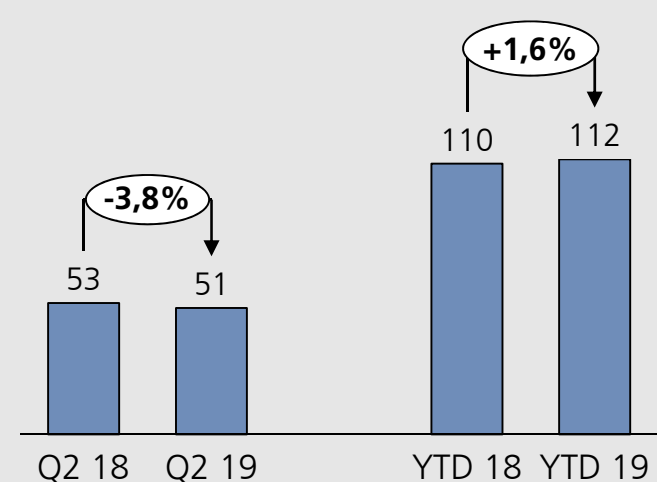
Adjusted EBITDA (EURm)



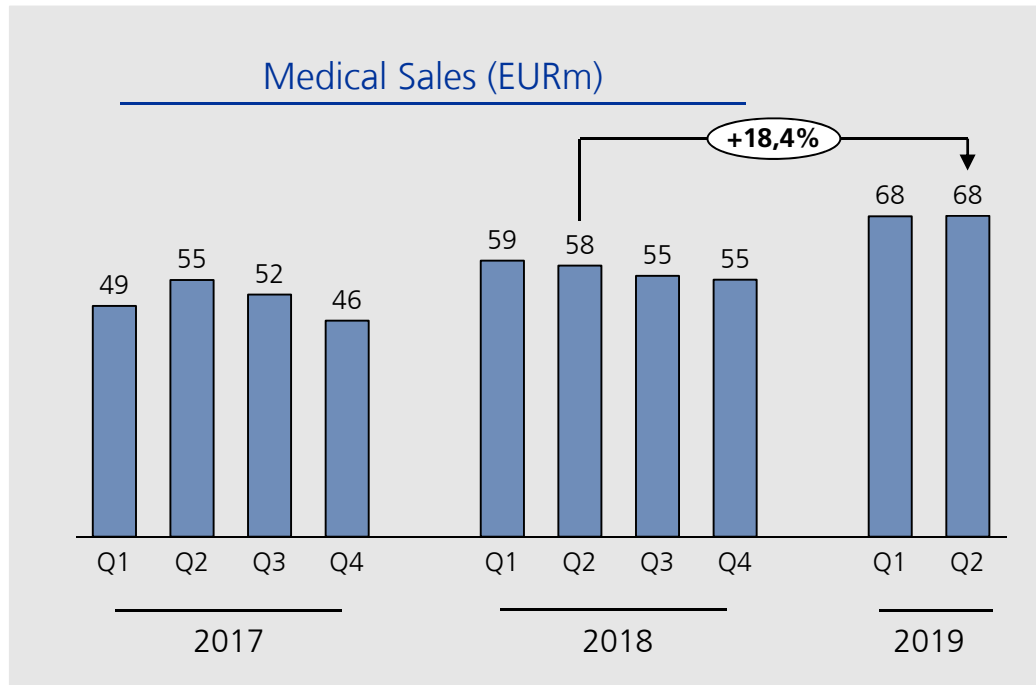
Net Capex (EURm)



Adjusted EBITDA – Net Capex (EURm)

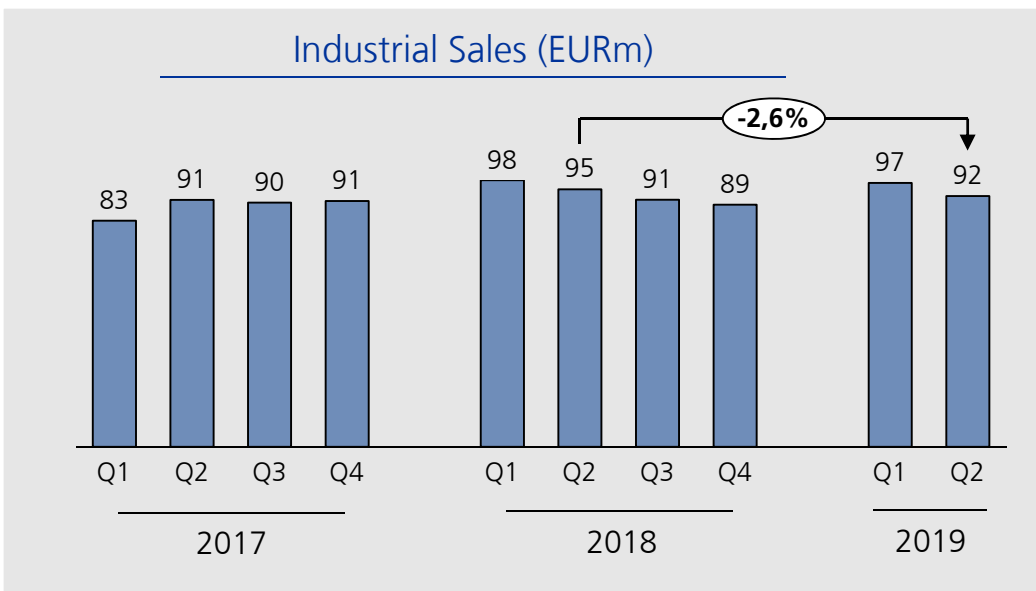


Medical and Industrial Sales Trend



Comments

- Q2'19 Medical Sales vs. PY is mainly coming from higher sales to China and strong demand from top customers
- Q2'19 Components sold +15.6% above PY
- Market fundamentals unchanged



Comments

- Q2'19 Industrial Sales -2.6% vs. PY
- Demand slightly below PY driven by:
 - lower volumes for automotive and construction markets
 - offset by strong textile and catalyst carrier demand
 - stable substrate deliveries
- Reorganized commercial teams along end industries in Europe: Mobility, Electronics, Industrial applications

Q2 2019 Management Financials

In EURm	Q2 2019	Q2 2018	Δ
Net Sales	160,7	152,6	5,3%
Medical Products	68,2	57,7	18,4%
Industrial	92,5	95,0	-2,6%
Gross Profit ⁽¹⁾	86,0	81,1	6,2%
<i>as % of Sales</i>	53,5%	53,1%	
SG&A⁽¹⁾	-21,5	-22,3	-3,7%
<i>as % of Sales</i>	-13,4%	-14,6%	
Other Inc./Exp.⁽¹⁾	-0,1	0,1	-189,7%
<i>as % of Sales</i>	-0,1%	0,1%	
Adj. EBITDA	64,4	58,9	9,4%
<i>as % of Sales</i>	40,1%	38,6%	

(1) w/o Depreciation and Amortisation

Comments

- Q2'19 Sales growth:
 - Medical is the driver for the increase
 - Limited price erosion in both segments, in line with historical trends
- Q2'19 Gross margin: +0.4%pts vs PY, mix with Medical growing faster than Industrial and ongoing productivity measures partly offset by a less favourable product mix within Industrial.
- Q2'19 SG&A: mainly driven by ongoing cost management
- Adj. EBITDA margin at 40.1%, +1.5%pts vs PY

YTD 2019 Management Financials

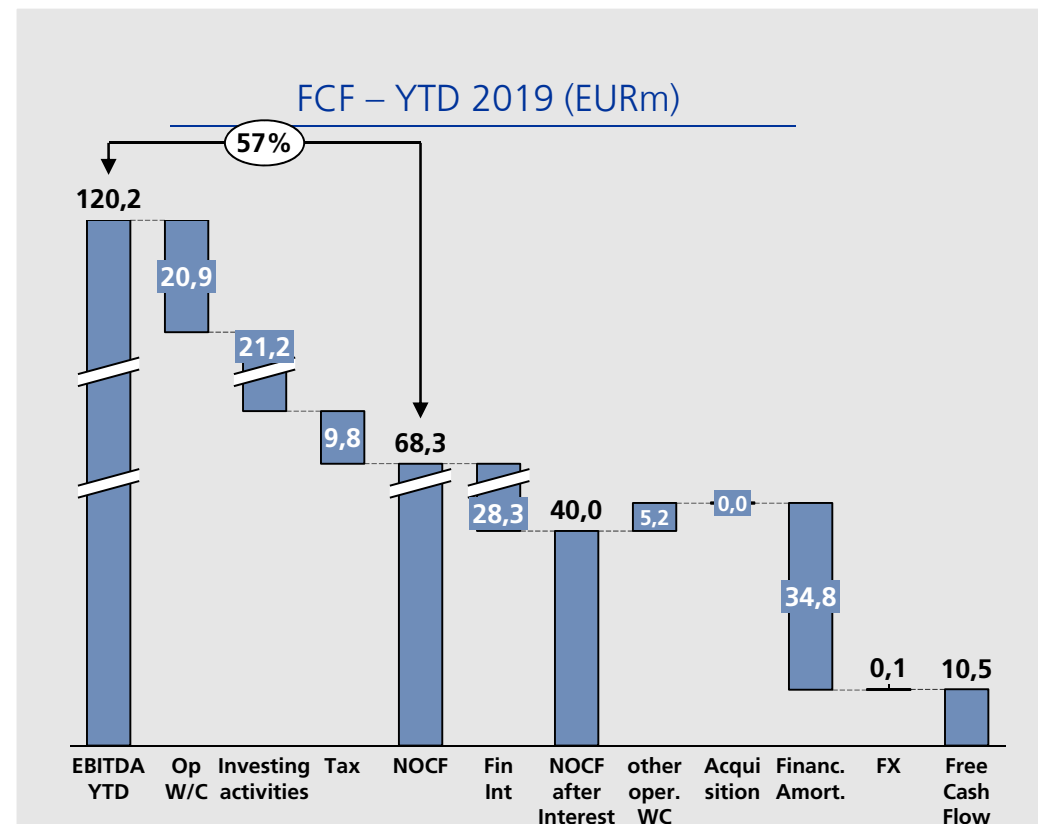
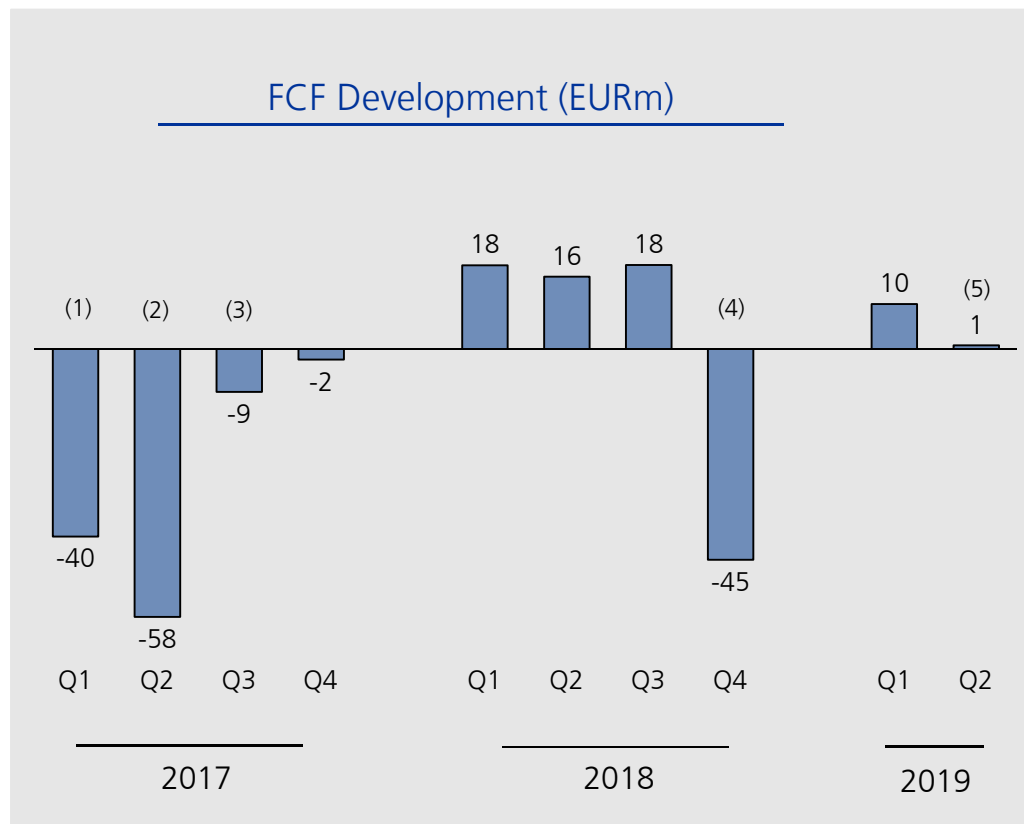
In EURm	YTD 2019	YTD 2018	Δ
Net Sales	326,2	309,6	5,4%
Medical Products	136,4	116,4	17,2%
Industrial	189,8	193,3	-1,8%
Gross Profit ⁽¹⁾	174,2	166,0	4,9%
<i>as % of Sales</i>	53,4%	53,6%	
SG&A⁽¹⁾	-43,3	-45,6	-5,1%
<i>as % of Sales</i>	-13,3%	-14,7%	
Other Inc./Exp.⁽¹⁾	-0,1	-0,1	39,2%
<i>as % of Sales</i>	0,0%	0,0%	
Adj. EBITDA	130,8	120,4	8,7%
<i>as % of Sales</i>	40,1%	38,9%	

(1) w/o Depreciation and Amortisation

Comments

- YTD 19 Sales growth:
 - Medical is the driver for the increase
 - Partly offset by a softer Industrial affected by lower demands from automotive and construction markets
 - Limited price erosion in both segments, in line with historical trends
- YTD 19 Gross margin: -0.2%pts vs PY, mix with Medical growing faster than Industrial and ongoing productivity measures offset by less favourable product mix and lower volumes within Industrial
- YTD 19 SG&A: mainly driven by ongoing cost management
- YTD Adj. EBITDA margin at 40.1%, +1.2%pts vs PY; YTD overproportional EBITDA growth +8,7% vs sales growth of +5,4%

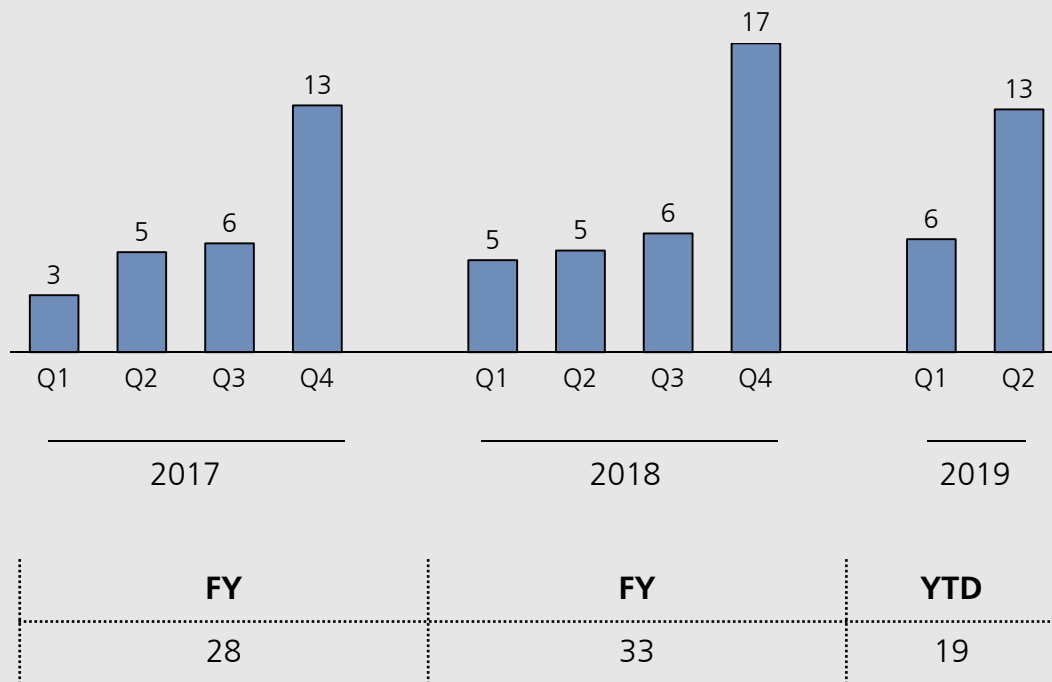
YTD 57% Operational Cash Conversion



- (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
- (5) On May 31st a voluntary prepayment of the term loans was made with EUR 28 million to the Facility B1 and USD 6 million to the Facility B2

Net Capex Development

Net Capex (EURm)

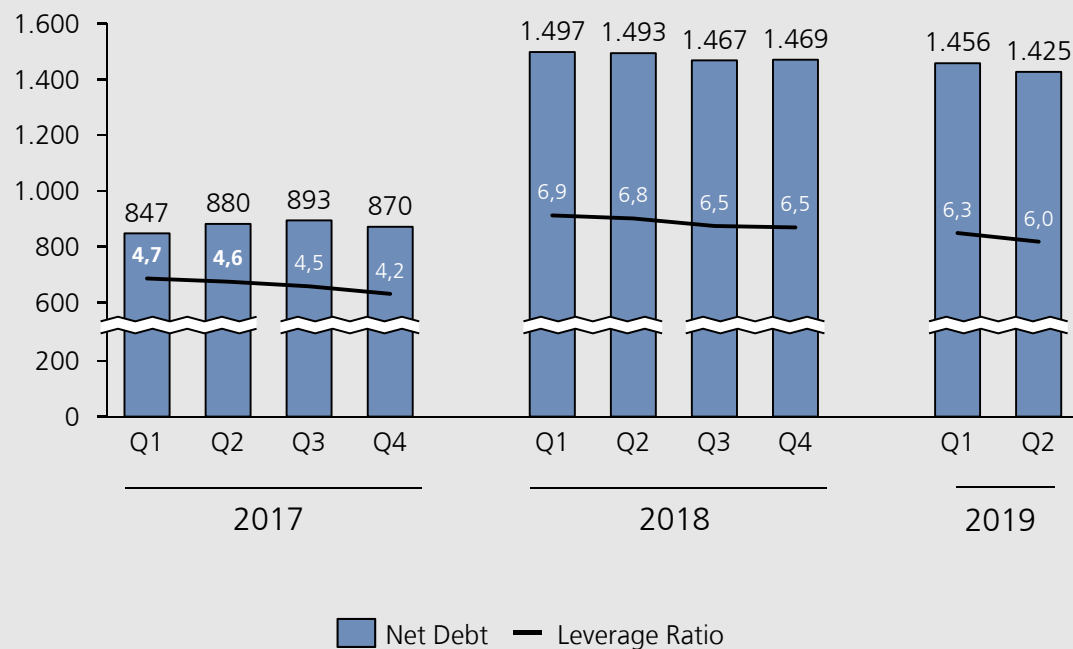


Comments

- Net Capex in Q2'19 in line with expectations
- Reflecting project phasing driven by capacity increase projects in our Medical business and our substrates manufacturing
- 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	JUN 30, 2018	JUN 30, 2019
Senior Debt	1.120,1	1.045,3
Bonds	406,0	401,0
Other	0,0	0,0
Revolver	0,0	0,0
Accrued Interests	14,9	10,6
Gross Debt	1.541,1	1.456,8
- Cash	-48,4	-31,5
Total Net Debt	1.492,6	1.425,3
LTM Adj. EBITDA	220,1	236,7
Leverage Ratio	6.8x	6.0x



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