



Investor Call

Q3 2019

Plochingen, November 27, 2019 - public-side information only

CEO – Dr. Hadi Saleh CFO – Eric Oellerer

Investor Call – 2019 Q3 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.

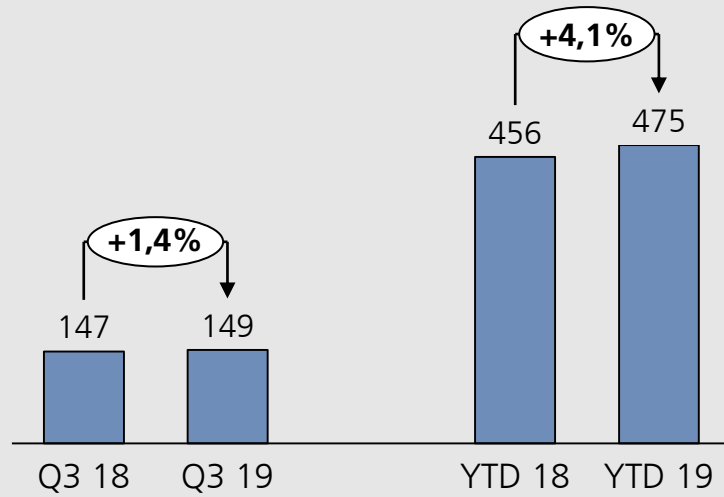
Overview of Q3 Performance



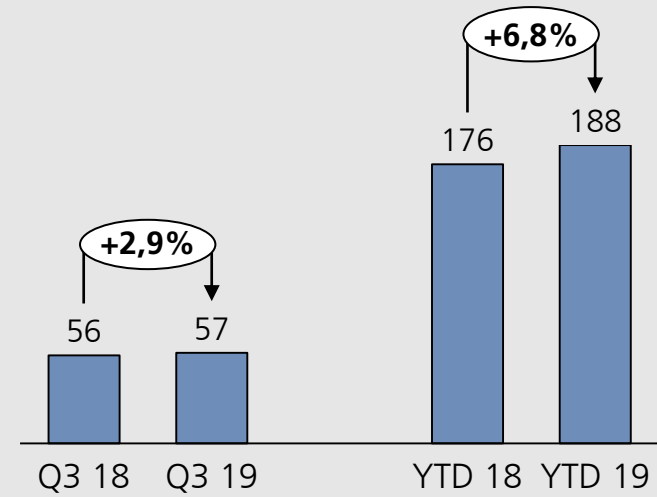
- Group Sales Q3'19: EUR 149m +1.4% vs. PY
- Medical Products Sales Q3'19: EUR 59m +7.2% vs. PY driven by strong volumes and favourable mix
- Industrial Sales Q3'19: EUR 89m -2.1% vs PY with softer demand mainly in electronics and automotive, offset by good development in catalyst carriers, sensor business and stable textile machinery demand
- Group Adjusted EBITDA Q3'19: EUR 57m +2.9% vs. PY, increase coming from
 - Medical is the driver for the growth
 - Partly offset by Industrial volume and mix effect
 - limited price effects
 - Operational excellence and cost control
- Adjusted EBITDA margin Q3'19 of 38.4%
- Total Net debt Leverage ratio Q3'19: 5.9x

Q3 2019 Performance

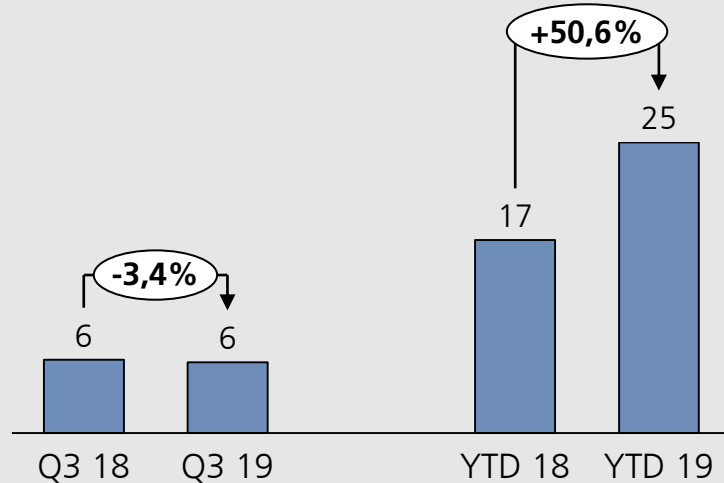
Sales (EURm)



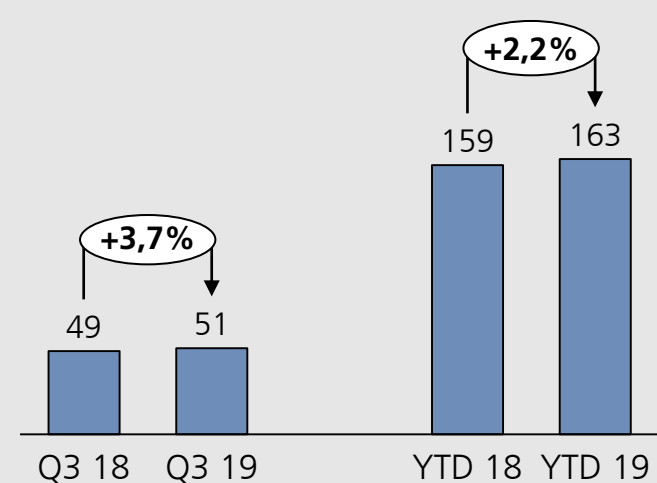
Adjusted EBITDA (EURm)



Net Capex (EURm)

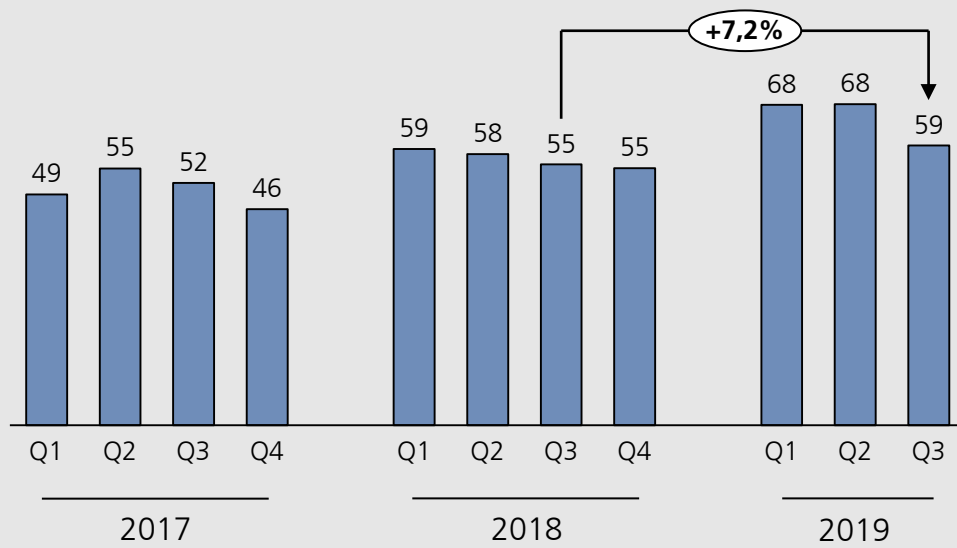


Adjusted EBITDA – Net Capex (EURm)



Medical and Industrial Sales Trend

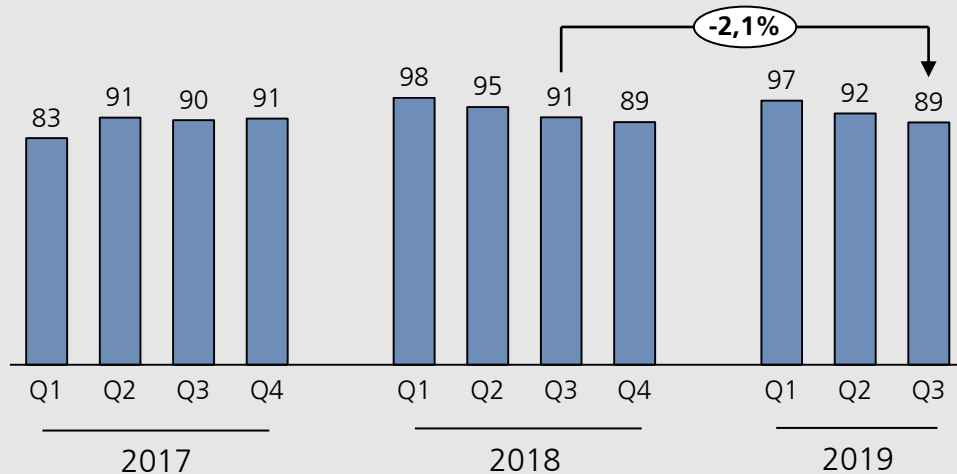
Medical Sales (EURm)



Comments

- Q3'19 Medical Sales vs. PY is mainly coming from higher sales to China
- Q3'19 Components sold +4.2% above PY
- Market fundamentals unchanged

Industrial Sales (EURm)



Comments

- Q3'19 Industrial Sales -2.1% vs. PY
- Demand slightly below PY driven by:
 - lower volumes for automotive and electronics markets
 - partly offset by strong catalyst carrier and piezo ceramics for sensors demand
 - stable textile deliveries

Q3 2019 Management Financials

In EURm	Q3 2019	Q3 2018	Δ
Net Sales	148,7	146,6	1,4%
Medical Products	59,5	55,5	7,2%
Industrial	89,2	91,1	-2,1%
Gross Profit ⁽¹⁾	77,6	76,6	1,4%
<i>as % of Sales</i>	52,2%	52,2%	
SG&A⁽¹⁾	-20,6	-21,1	-2,4%
<i>as % of Sales</i>	-13,8%	-14,4%	
Other Inc./Exp.⁽¹⁾	0,1	0,1	50,4%
<i>as % of Sales</i>	0,1%	0,0%	
Adj. EBITDA	57,2	55,6	2,9%
<i>as % of Sales</i>	38,4%	37,9%	

(1) w/o Depreciation and Amortisation

Comments

- Q3'19 Sales growth:
 - Medical is the driver for the increase
 - Industrial below PY due to general slowing of economic cycle
- Q3'19 Gross margin: on PY level, mix with Medical growing faster than Industrial and ongoing productivity measures offset by a less favourable product mix within Industrial
- Q3'19 SG&A: mainly driven by permanent cost management
- Adj. EBITDA margin at 38.4%, +0.5%pts vs PY

YTD 2019 Management Financials

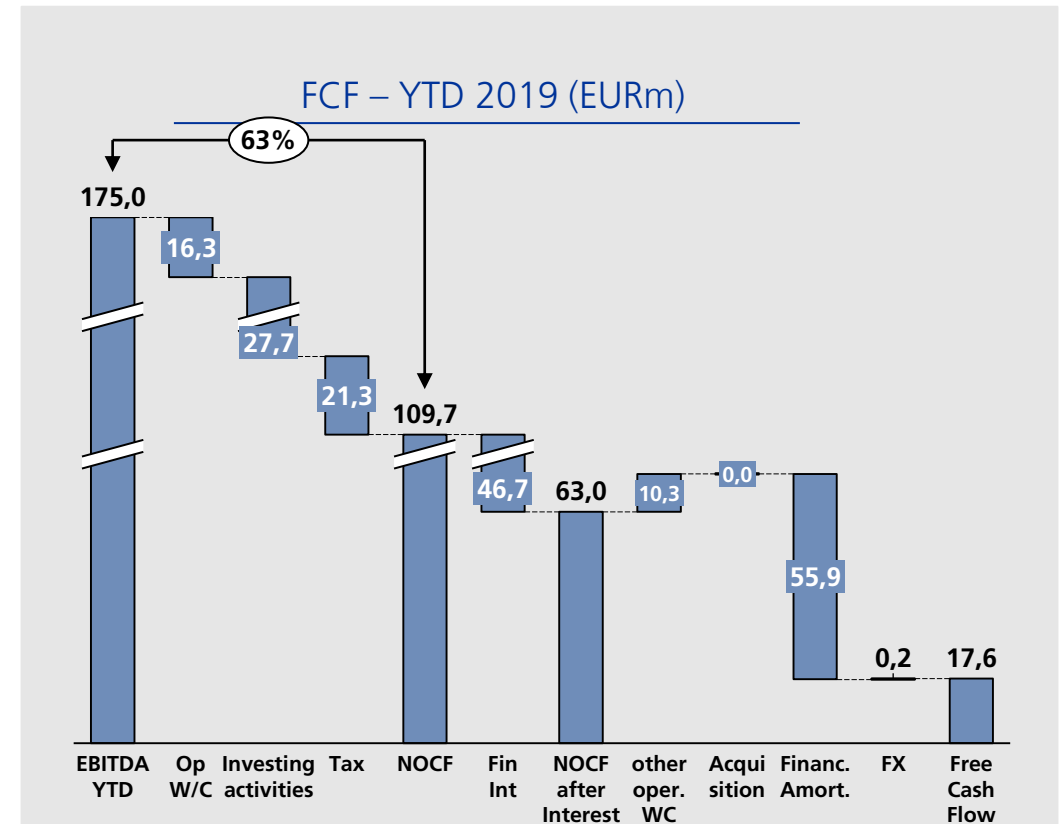
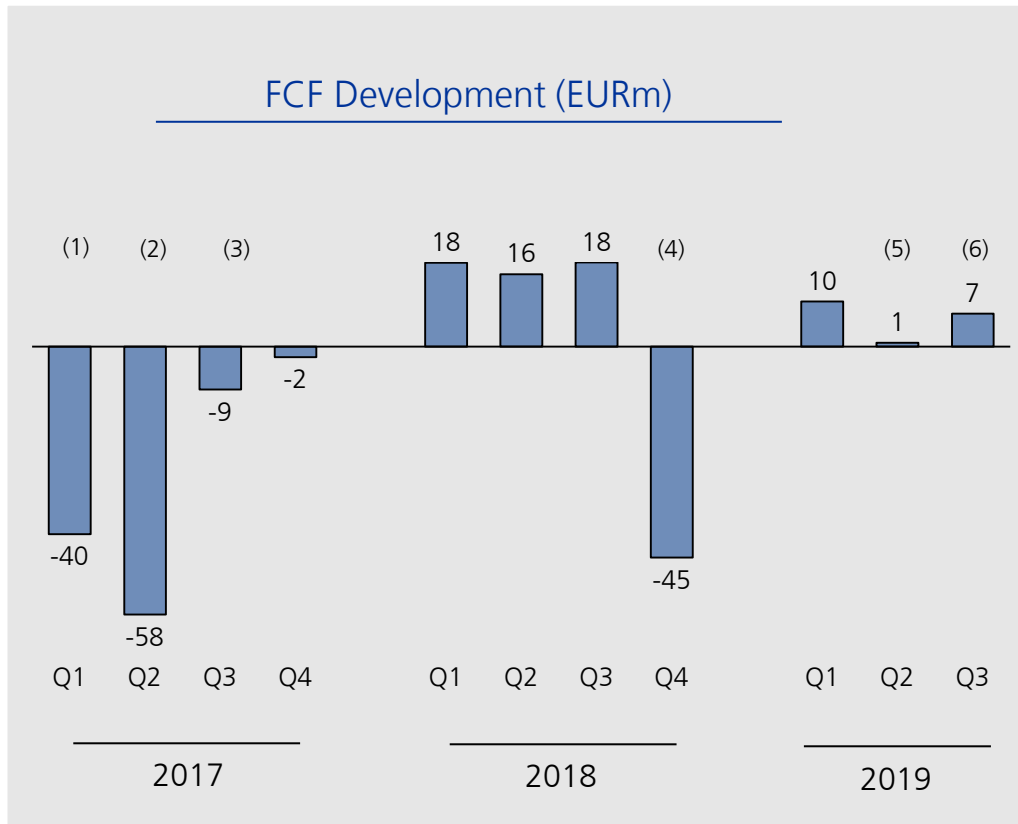
In EURm	YTD 2019	YTD 2018	Δ
Net Sales	474,9	456,2	4,1%
Medical Products	195,8	171,9	14,0%
Industrial	279,0	284,4	-1,9%
Gross Profit ⁽¹⁾	251,8	242,6	3,8%
<i>as % of Sales</i>	53,0%	53,2%	
SG&A⁽¹⁾	-63,8	-66,7	-4,3%
<i>as % of Sales</i>	-13,4%	-14,6%	
Other Inc./Exp.⁽¹⁾	0,0	0,0	0,0%
<i>as % of Sales</i>	0,0%	0,0%	
Adj. EBITDA	188,0	176,0	6,8%
<i>as % of Sales</i>	39,6%	38,6%	

(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 electronic markets
- 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 continued cost management
- YTD Adj. EBITDA margin at 39.6%, +1.0%pts vs PY; YTD overproportional EBITDA growth +6.8% vs sales growth of +4.1%

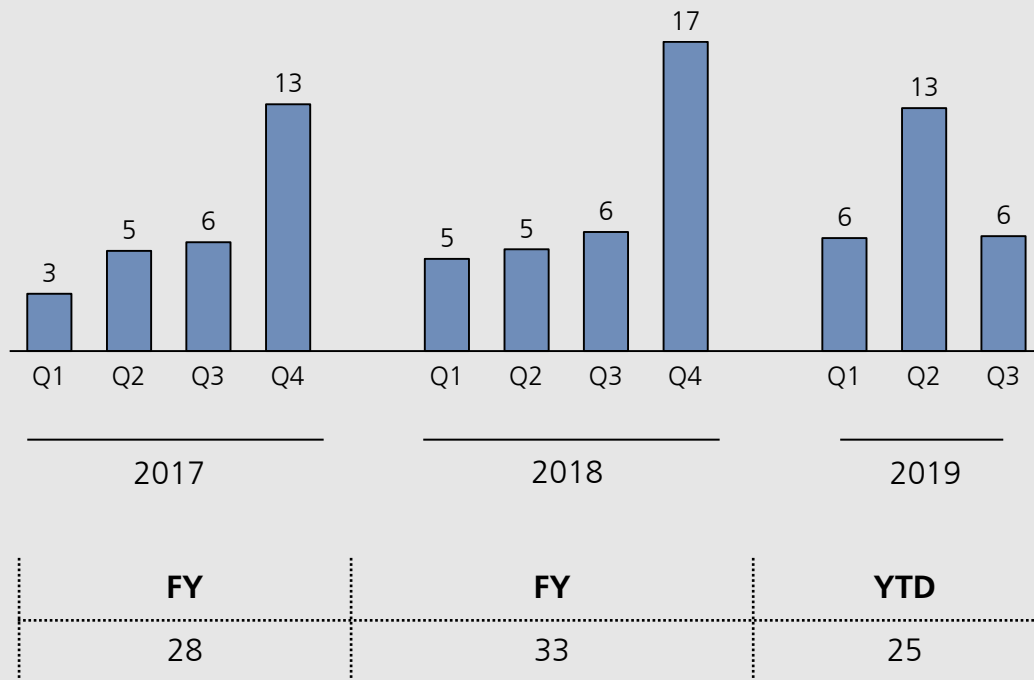
YTD 63% Operational Cash Conversion



- (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
- (6) On August 30th a voluntary prepayment of the term loans was made with EUR 16 million to the Facility B1 and USD 5 million to the Facility B2

Net Capex Development

Net Capex (EURm)

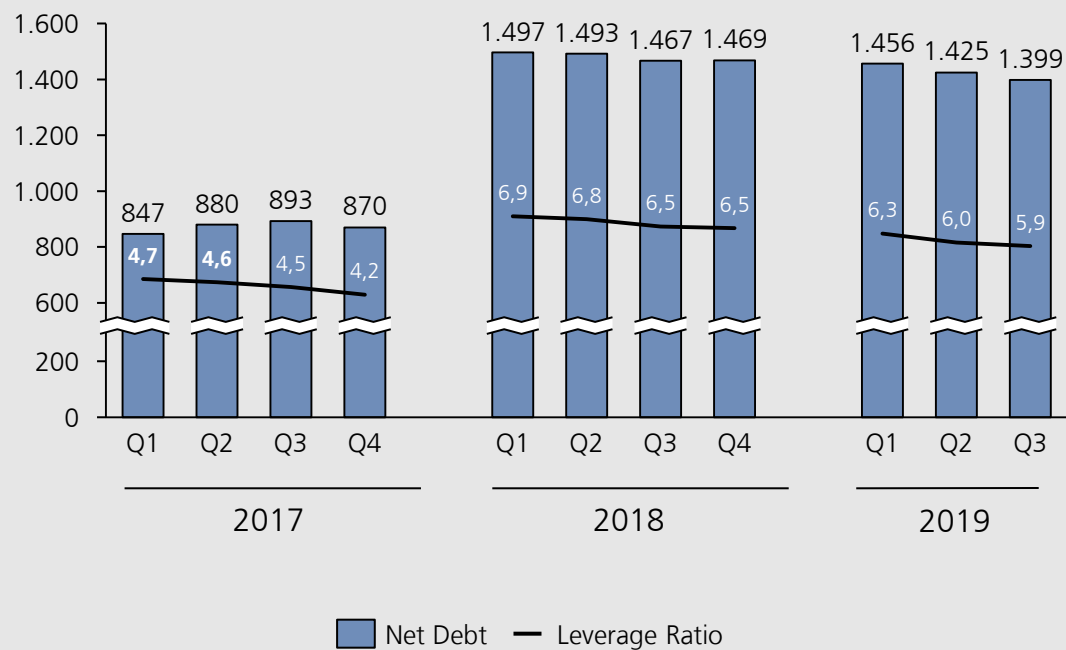


Comments

- Net Capex in Q3'19 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	SEP 30, 2018	SEP 30, 2019
Senior Debt	1.121,2	1.030,8
Bonds	406,0	401,0
Other	0,0	0,0
Revolver	0,0	0,0
Accrued Interests	6,1	5,3
Gross Debt	1.533,2	1.437,1
- Cash	-66,6	-38,6
Total Net Debt	1.466,7	1.398,5
LTM Adj. EBITDA	224,1	238,3
Leverage Ratio	6.5x	5.9x



Investor Call

Q3 2019

Plochingen, November 27, 2019 - public-side information only

CEO – Dr. Hadi Saleh CFO – Eric Oellerer