



Investor Call

Q1 2020

Plochingen, June 9, 2020 - public-side information only

CEO – Dr. Hadi Saleh CFO – Eric Oellerer

Investor Call – 2020 Q1 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 Q1 Performance

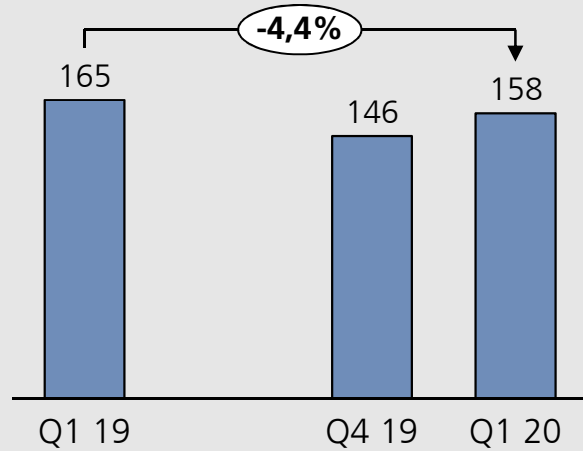


- Group Sales Q1'20: EUR 158m -4.4% vs. PY
- Medical Products Sales Q1'20: EUR 70m +3.3% vs. PY
- Industrial Sales Q1'20: EUR 88m -9.9% vs PY with overall softer demand from automotive and electronic market
- Group Adjusted EBITDA Q1'20: EUR 64m -4.2% vs. PY, ongoing Medical growth offset by overall softer Industrial markets and both businesses affected by Covid-19 with lower productivity and additional costs to safeguard health of employees
- Adjusted EBITDA margin Q1'20 of 40.3%
- Total Net debt Leverage ratio Q1'20: 6.0x compared to 6.3x in Q1'19

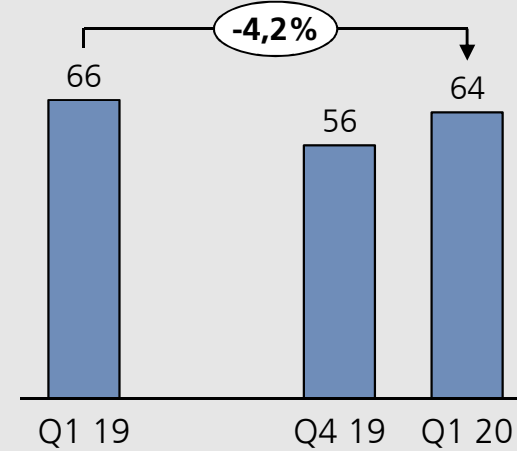


Q1 2020 Performance

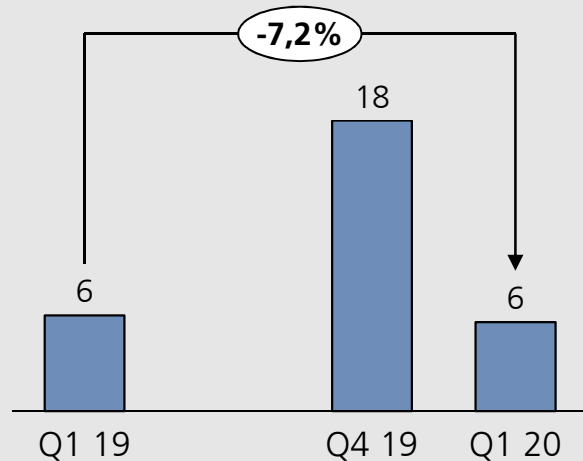
Sales (EURm)



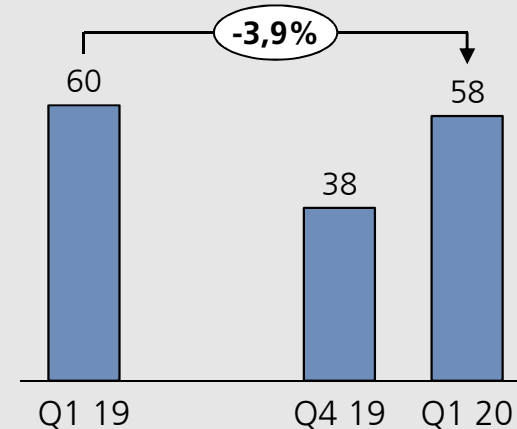
Adjusted EBITDA (EURm)



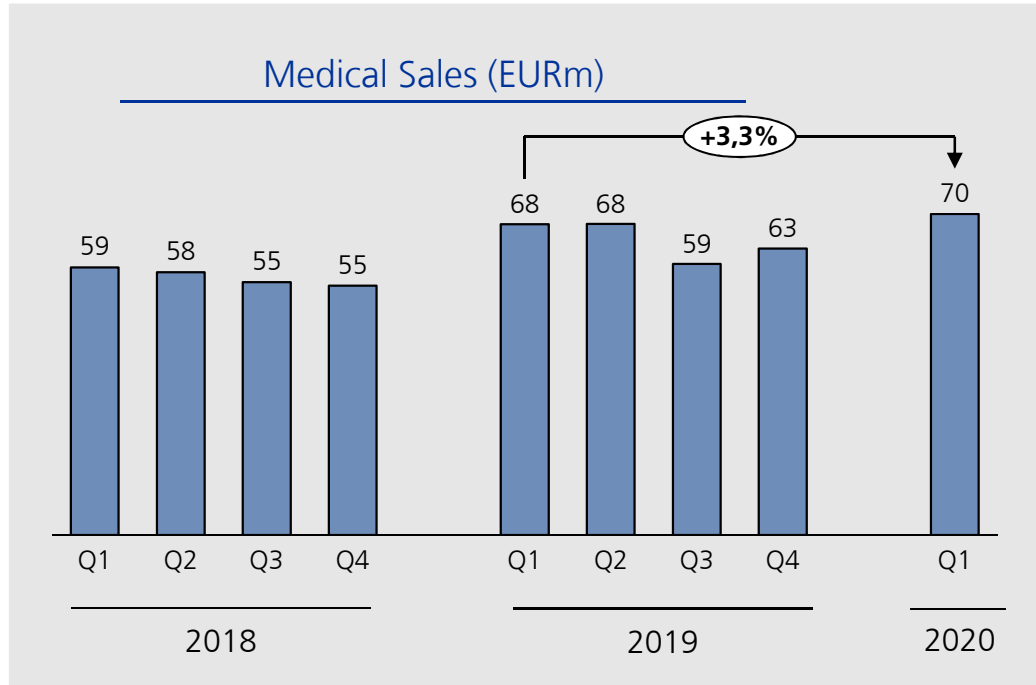
Net Capex (EURm)



Adjusted EBITDA – Net Capex (EURm)

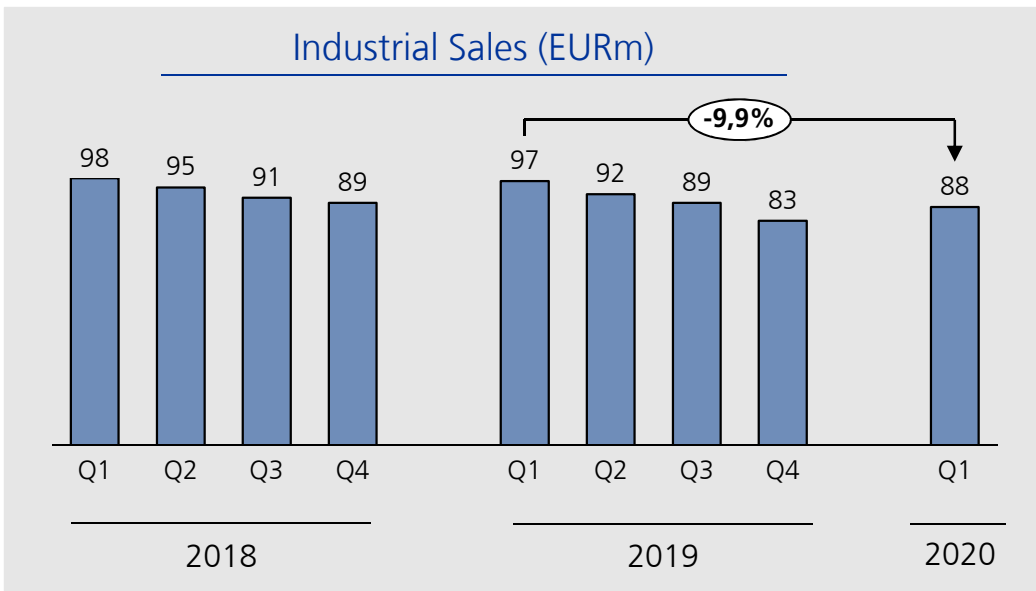


Medical and Industrial Sales Trend



Comments

- Q1'20 Medical Sales +3.3% vs. PY
- Growth slower than in previous quarters as certain Chinese customers reduced their orders in the context of Covid-19
- In Q1 no meaningful impact yet on volumes from orders outside of China



Comments

- Q1'20 Industrial Sales -9.9% vs. PY
- Demand below PY driven by:
 - Overall lower volumes for electronics and automotive market, in line with the macro trends that have been observed in the previous quarters; in addition, Q1 sales impacted by Covid-19
 - Partly offset by good volumes for piezo ceramics for sensors for different end markets, esp. medical equipment

Q1 2020 Management Financials

In EURm	Q1 2020	Q1 2019	Δ
Net Sales	158.1	165.5	-4.4%
Medical Products	70.4	68.1	+3.3%
Industrial	87.7	97.3	-9.9%
Gross Profit ⁽¹⁾	83.7	88.1	-5.0%
<i>as % of Sales</i>	53.0%	53.3%	
SG&A⁽¹⁾	-21.3	-21.7	+1.8%
<i>as % of Sales</i>	-13.5%	-13.1%	
Other Inc./Exp.⁽¹⁾	1.3	0.0	+ > 100%
<i>as % of Sales</i>	0.8%	0.0%	
Adj. EBITDA	63.7	66.4	-4.2%
<i>as % of Sales</i>	40.3%	40.1%	

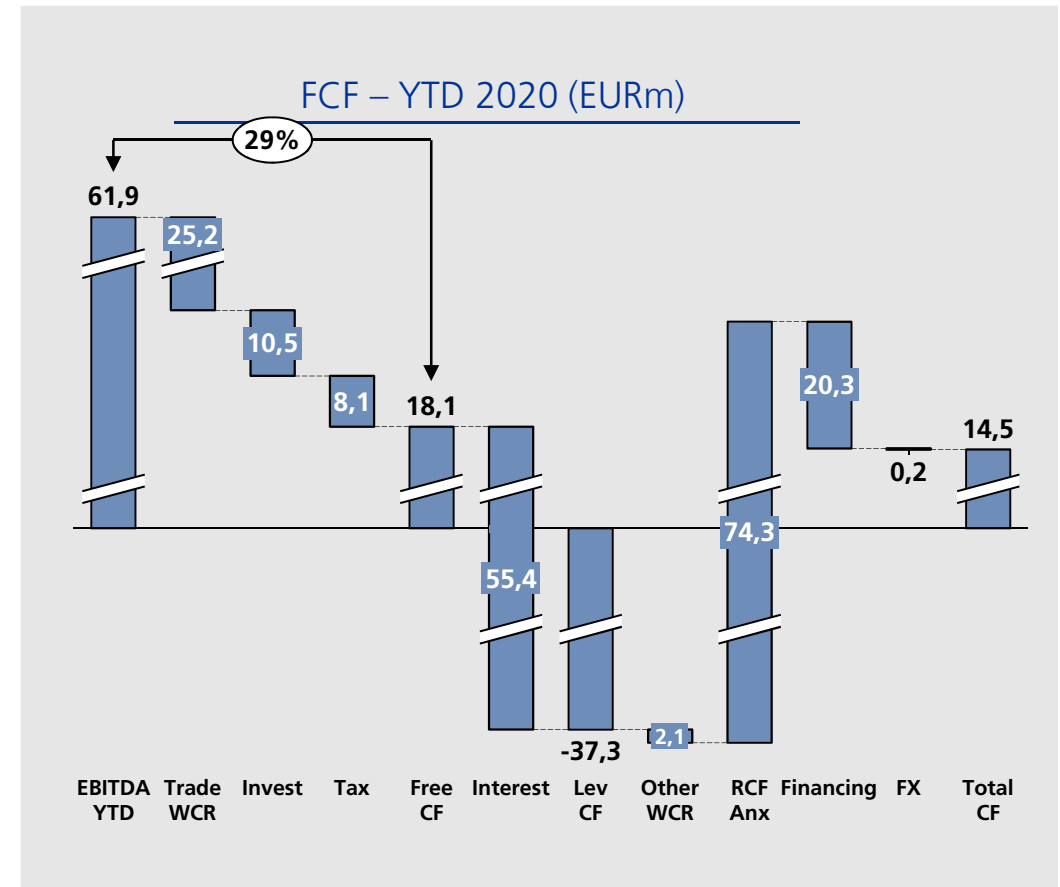
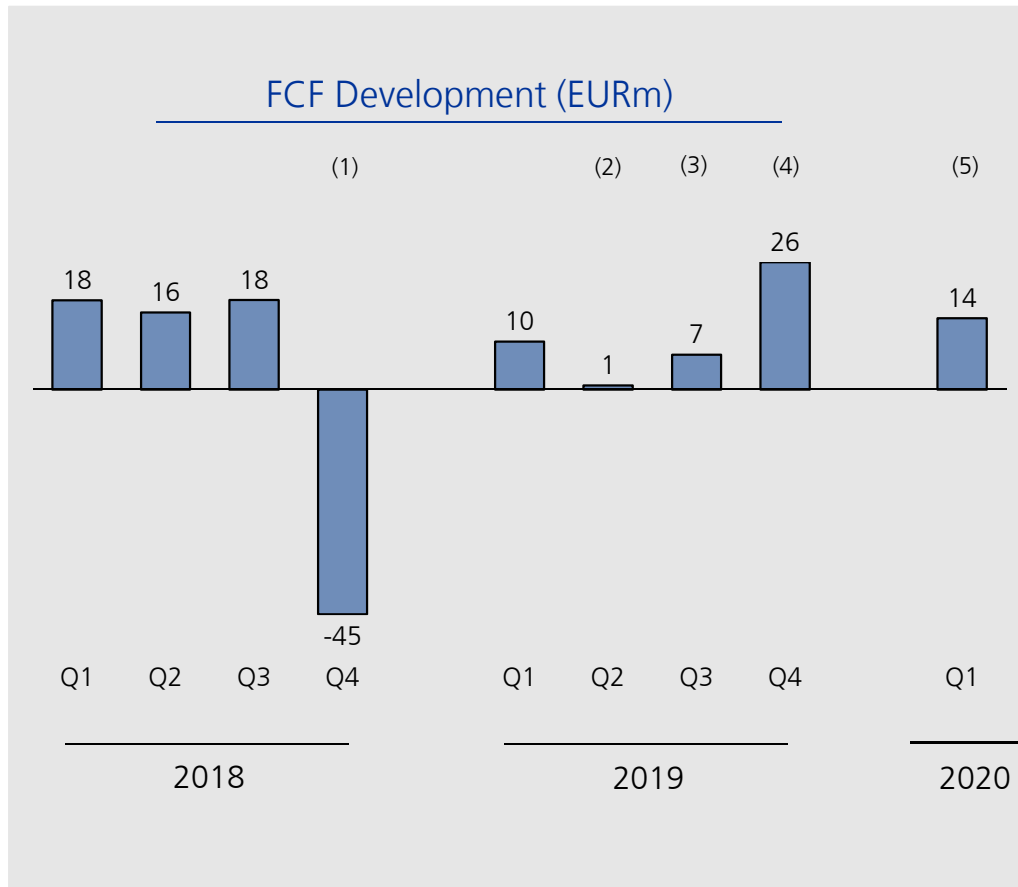
(1) w/o Depreciation and Amortization

Comments on P&L

- Q1'20 Sales: Medical increased by +3.3% offset by overall lower Industrial markets -9.9%, both businesses affected by Covid-19
- Q1'20 Gross margin: -0.3%pts below PY suffering from a lower fixed cost absorption despite ongoing Medical growth. Impact from lower productivity due to various Covid-19 impacts such as temporary shifts in demand, temporary closures of smaller factories and increase in illness rate
- Q1'20 SG&A: lower than PY due to continued strict cost management
- Q1' 20 Adj. EBITDA margin at 40.3% with +0.2%pts holding up well in difficult market environment. Final Q1 EBITDA 1,5M€ better than preliminary numbers presented end of April following final bookings and some Covid-19 related adjustments
- Due to Covid-19 outbreak SG&A, Capex and Cash outflows to the extent possible reduced or postponed

Note: All figures in EURm at actual FX rates including normalization adjustments

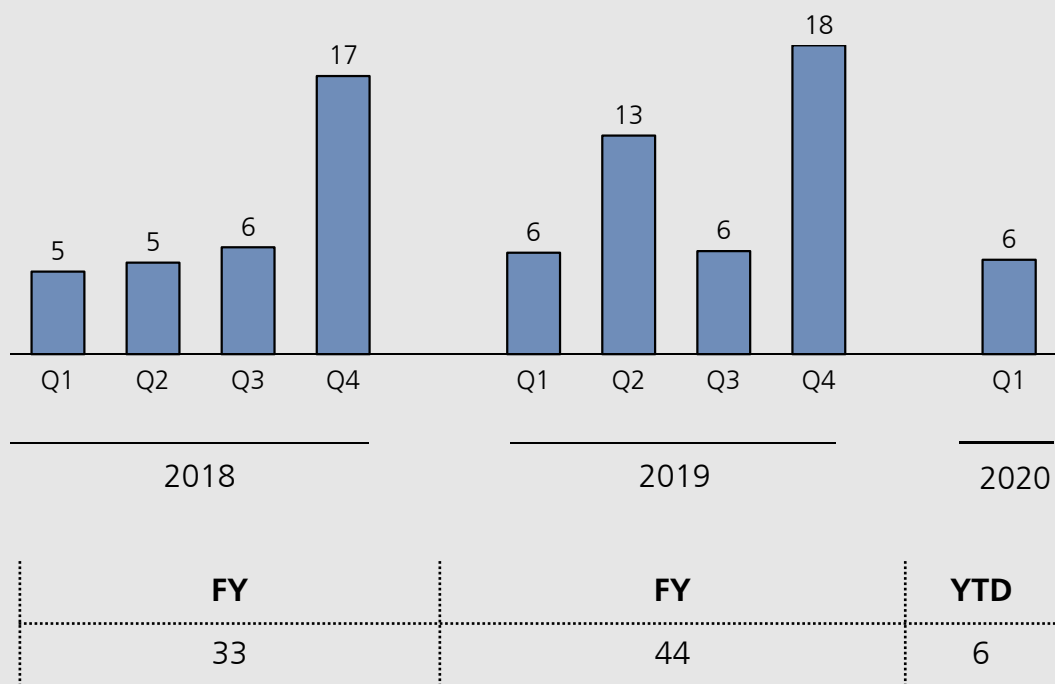
YTD 29% Operational Cash Conversion



- (1) 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
- (2) 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
- (3) 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
- (4) In December 2019 cash received EUR 5,2 million from the resale of bond with face value of EUR 5 million at value 103,25
- (5) In January 2020, a distribution of EUR 55.0 million has been made from the group as a repayment on the shareholder loan consisting of EUR 19.6 million repayment loan and EUR 35.4 million interest, RCF of EUR 18 million drawn in FEB 2020 and further EUR 49m drawn in MAR 2020, usage of EUR 7.3 million of the ancillary line in March 2020

Net Capex Development

Net Capex (EURm)

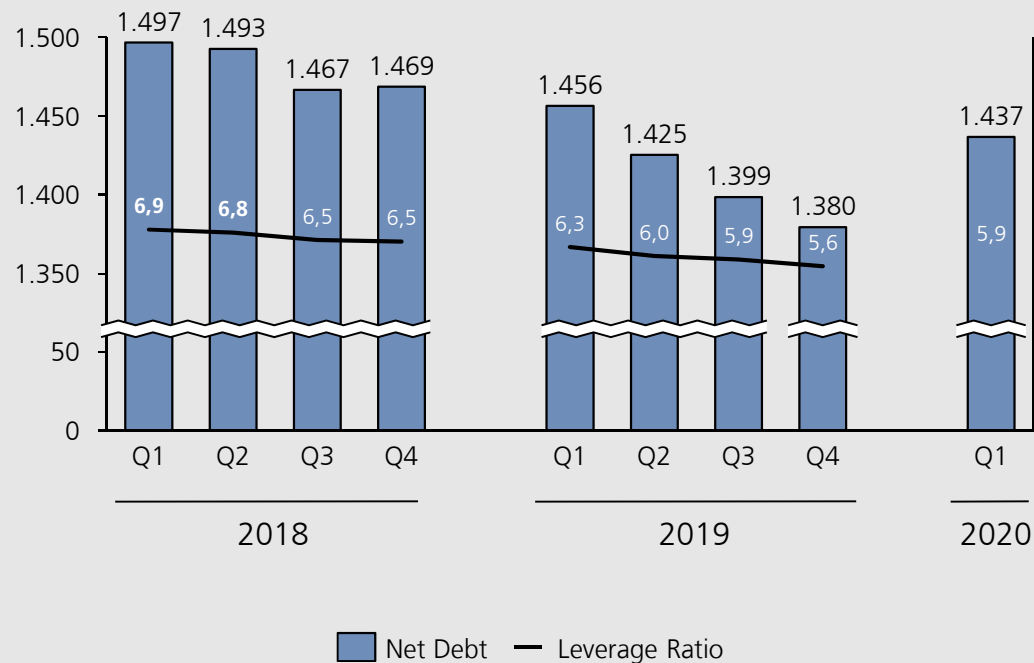


Comments

- Capex outflows to the extent possible reduced or postponed due to Covid-19
- Capex in 2020 will be adapted to the economic development with focus on capacity increase projects in Medical, necessary maintenance activities and selected Industrial and digitalization projects

Net Debt And Leverage Ratio

Net Financial Debt (EURm)



EURm	MAR 31, 2019	MAR 31, 2020
Senior Debt	1,080.4	1,030.0
Bonds	401.0	406.0
Other	0.0	7.3
Revolver	0.0	67.0
Accrued Interests	5.7	5.4
Gross Debt	1,487.1	1,515.6
- Cash	-30.7	-78.8
Total Net Debt	1,456.4	1,436.8
LTM Adj. EBITDA	231.2	241.6
Leverage Ratio	6.3x	5.9x
Senior Net Debt Lev. Ratio	4.4x	4.1x



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