



# Investor Call

## Q2 2020

**Plochingen, September 15, 2020 - public-side information only**

CEO – Dr. Hadi Saleh      CFO – Eric Oellerer

# Investor Call – 2020 Q2 Financial Information Disclaimer

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# Overview of Q2 Performance

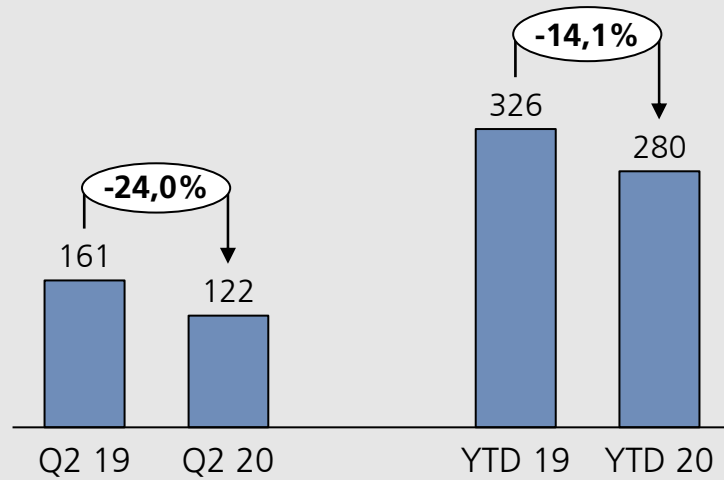


- Group Sales Q2'20: EUR 122m -24.0% vs. PY
- Medical Products Sales Q2'20: EUR 49m -28.5% vs. PY
- Industrial Sales Q2'20: EUR 73m -20.8% vs PY with overall softer demand from automotive, machinery and electronic market due to Covid-19
- Group Adjusted EBITDA Q2'20: EUR 43m -33.0% vs. PY, Both medical as well as Industrial impacted by Covid-19 with low demand due to factory closures of customers, order cancellations, lower productivity and additional costs to safeguard health of employees
- Adjusted EBITDA margin Q2'20 of 35.4%
- Total Net debt Leverage ratio Q2'20: 6.4x

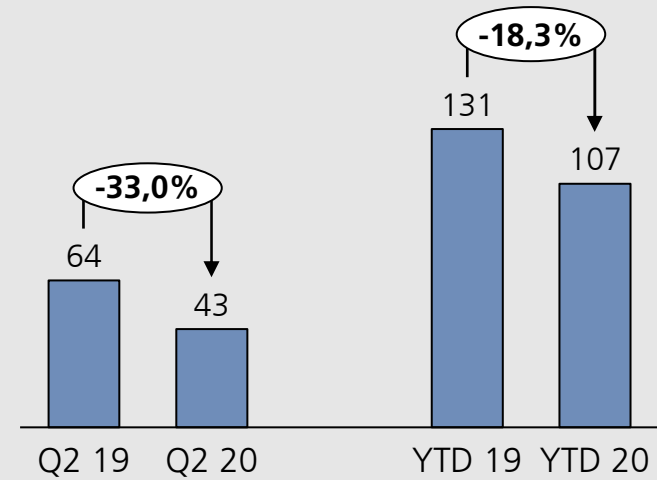


# Q2 2020 Performance

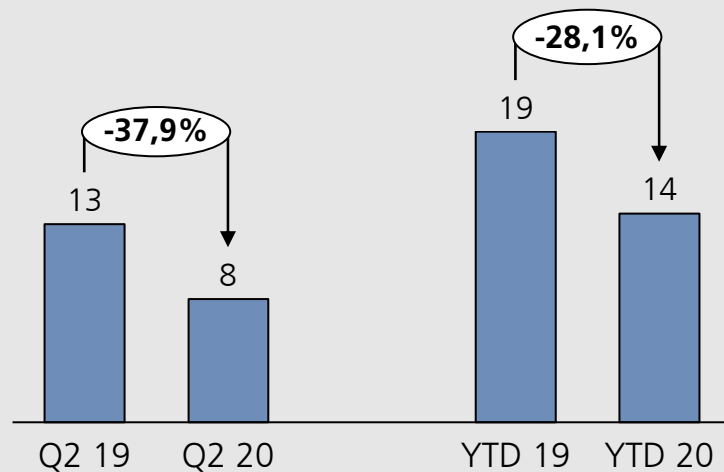
Sales (EURm)



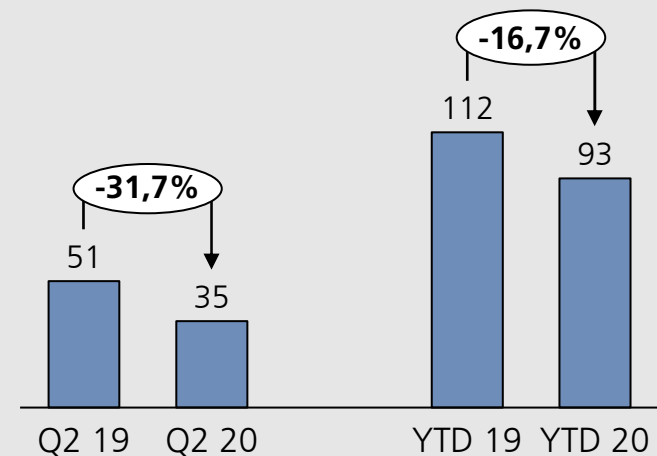
Adjusted EBITDA (EURm)



Net Capex (EURm)

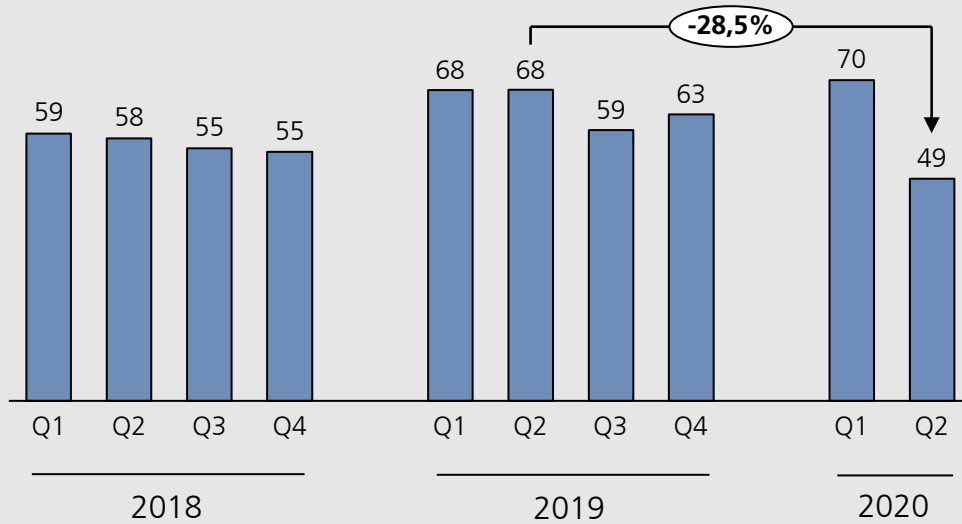


Adjusted EBITDA – Net Capex (EURm)



# Medical and Industrial Sales Trend

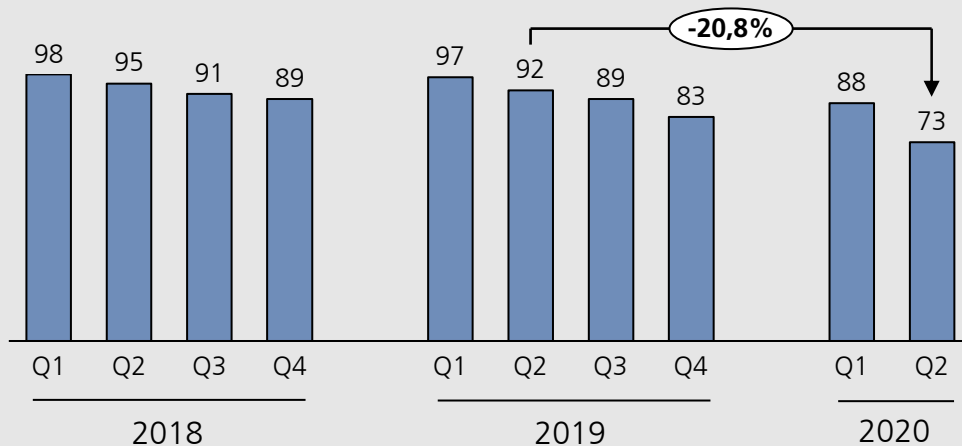
## Medical Sales (EURm)



## Comments

- Q2'20 Medical Sales -28.5% vs. PY
- Negative growth rate (y-o-y) as a number of customers cancelled or postponed orders in the context of Covid-19

## Industrial Sales (EURm)



## Comments

- Q2'20 Industrial Sales -20.8% vs. PY
- Demand below PY driven by:
  - Overall lower volumes across nearly all product groups mostly driven by Covid-19 impacts (lower volumes, inventory reductions at customers as well as numerous factory closures at customers)
  - Partly offset by good volumes for piezo ceramics for sensors for different end markets, esp. medical equipment



# Q2 2020 Management Financials

In EURm	Q2 2020	Q2 2019	Δ
<b>Net Sales</b>	<b>122.1</b>	<b>160.7</b>	<b>-24.0%</b>
Medical Products	48.8	68.2	-28.5%
Industrial	73.3	92.5	-20.8%
<b>Gross Profit <sup>(1)</sup></b>	<b>57.8</b>	<b>86.0</b>	<b>-32.9%</b>
<i>as % of Sales</i>	47.3%	53.5%	
<b>SG&amp;A<sup>(1)</sup></b>	<b>-16.5</b>	<b>-21.5</b>	<b>-23.2%</b>
<i>as % of Sales</i>	-13.5%	-13.4%	
<b>Other Inc./Exp.<sup>(1)</sup></b>	<b>1.9</b>	<b>-0.1</b>	<b>N/A</b>
<i>as % of Sales</i>	1.6%	-0.1%	
<b>Adj. EBITDA</b>	<b>43.2</b>	<b>64.4</b>	<b>-33.0%</b>
<i>as % of Sales</i>	35.4%	40.1%	

(1) w/o Depreciation and Amortization

## Comments on P&L

- Q2'20 Sales: Medical decreased by -28.5% vs. PY and Industrial markets decreased by -20.8% vs. PY, both businesses affected by low order income as well as order cancellations and postponements due to Covid-19
- Q2'20 Gross margin: -6.2%pts below PY suffering from a lower fixed cost absorption and from lower productivity due to various Covid-19 impacts such as temporary shifts in demand, temporary closures of smaller factories, additional costs to safeguard health of employees and increased illness / absence rate
- Q2'20 SG&A: significant decrease vs. PY due to strict cost management
- Q2' 20 Adj. EBITDA margin at 35.4% with -4.7%pts as a result of volume decline mainly due to Covid-19
- 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 2020 Management Financials

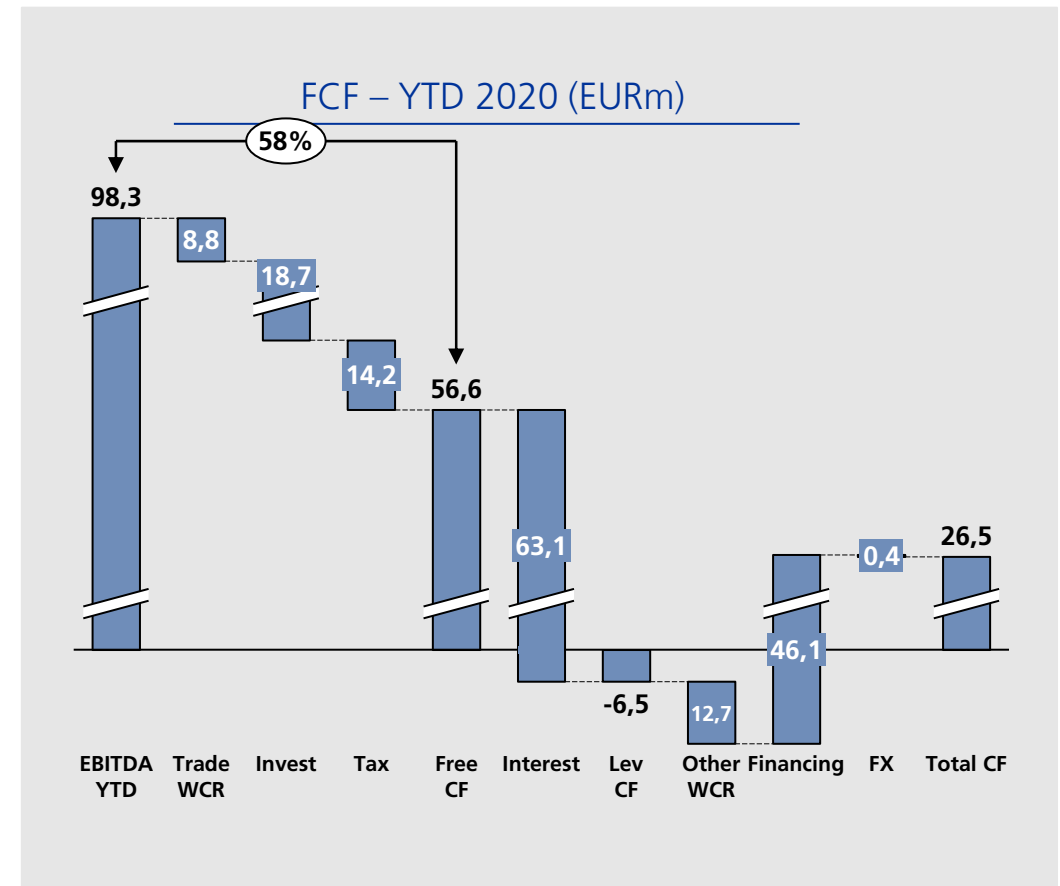
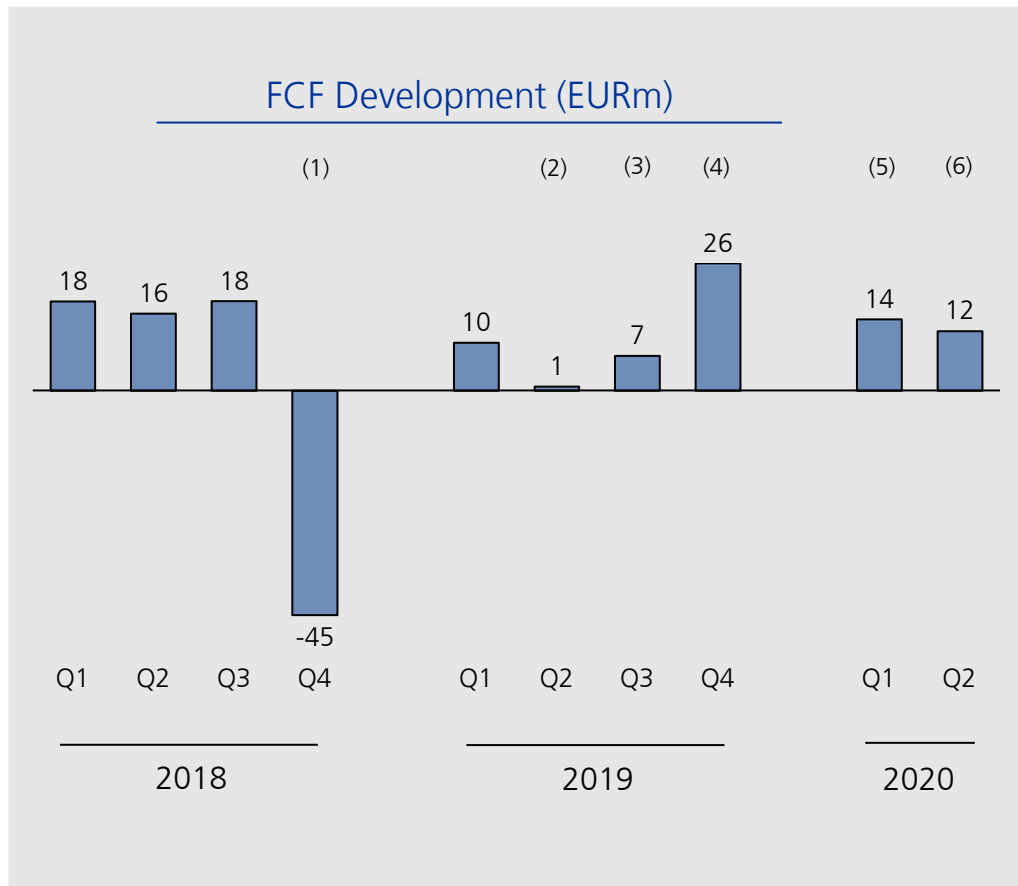
In EURm	YTD 2020	YTD 2019	Δ
<b>Net Sales</b>	<b>280,2</b>	<b>326,2</b>	<b>-14,1%</b>
Medical Products	119,2	136,4	-12,6%
Industrial	161,0	189,8	-15,2%
<b>Gross Profit <sup>(1)</sup></b>	<b>141,5</b>	<b>174,2</b>	<b>-18,8%</b>
<i>as % of Sales</i>	50,5%	53,4%	
<b>SG&amp;A<sup>(1)</sup></b>	<b>-37,9</b>	<b>-43,3</b>	<b>-12,5%</b>
<i>as % of Sales</i>	-13,5%	-13,3%	
<b>Other Inc./Exp.<sup>(1)</sup></b>	<b>3,2</b>	<b>-0,1</b>	<b>-3347,3%</b>
<i>as % of Sales</i>	1,1%	0,0%	
<b>Adj. EBITDA</b>	<b>106,8</b>	<b>130,8</b>	<b>-18,3%</b>
<i>as % of Sales</i>	<b>38,1%</b>	40,1%	

(1) w/o Depreciation and Amortization

## Comments on P&L

- YTD 20 Sales: Medical decreased by -12.6% vs. PY while Industrial markets decreased by -15.2% vs. PY, both businesses affected by low order income as well as order cancellations and postponements due to Covid-19
- YTD 20 Gross margin: -2.9%pts below PY suffering from a lower fixed cost absorption and from lower productivity due to various Covid-19 impacts such as temporary shifts in demand, temporary closures of smaller factories, additional costs to safeguard health of employees and increased illness / absence rate
- YTD 20 SG&A: following outbreak of Covid 19 significant cost reductions programs implemented leading ytd to 12,5% SG&A reduction vs. PY and in Q2 23,2% lower SG&A spending
- YTD 20 Adj. EBITDA margin at 38.1% with -2.0%pts as a result of decreased Sales mainly due to Covid-19 but still on a very good level

# YTD 58% Operational Cash Conversion

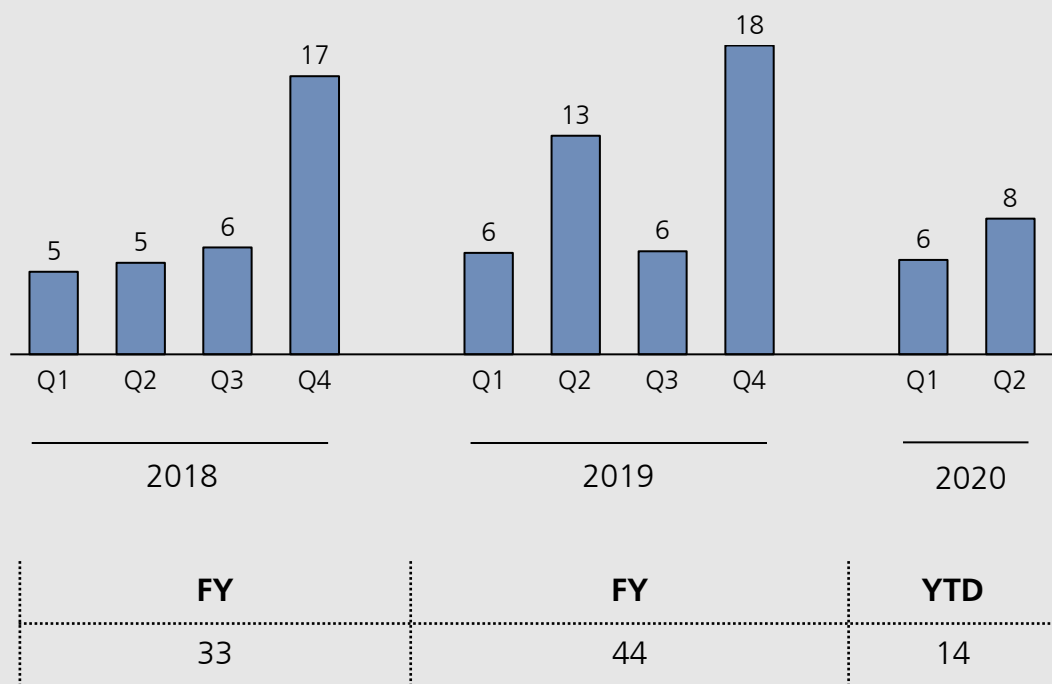


- (1) EUR -45,5m cash outflow includes voluntary repayment of EUR 32m and USD 15m and a repurchase of bond with face value of EUR 5m at value 96
- (2) On May 31st a voluntary prepayment of the term loans was made with EUR 28 million to the Facility B1 and USD 6 million to the Facility B2
- (3) On August 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
- (6) Since May 2020 no further usage of the ancillary line



# Net Capex Development

Net Capex (EURm)

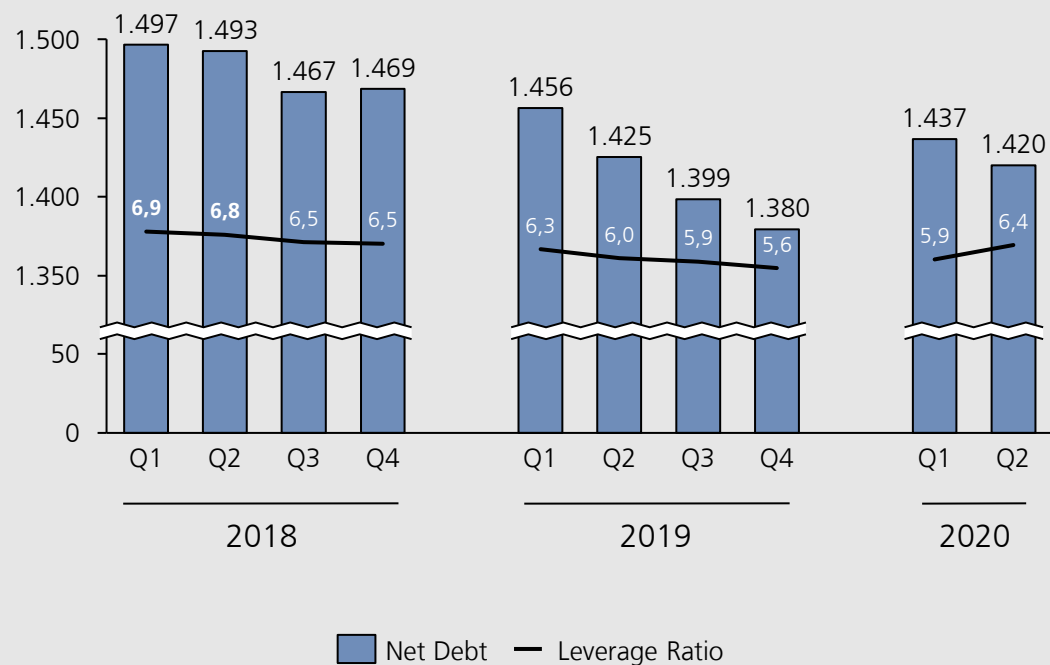


## Comments

- 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 long term capacity increase projects in Medical, necessary maintenance activities and selected Industrial and digitalization projects

# Net Debt And Leverage Ratio

Net Financial Debt (EURm)



EURm	JUN 30, 2019	JUN 30, 2020
Senior Debt	1,045.3	1,027.1
Bonds	401.0	406.0
Other	0.0	0.0
Revolver	0.0	67.0
Accrued Interests	10.5	10.9
<b>Gross Debt</b>	<b>1,456.8</b>	<b>1,511.0</b>
- Cash	-31.5	-90.9
<b>Total Net Debt</b>	<b>1,425.3</b>	<b>1,420.1</b>
LTM Adj. EBITDA	236.7	220.3
<b>Leverage Ratio</b>	<b>6.0x</b>	<b>6.4x</b>
<b>Senior Net Debt Lev. Ratio</b>	<b>4.1x</b>	<b>4.4x</b>



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