



Investor Call

Q3 2020

Plochingen, November 25, 2020 - public-side information only

CEO – Dr. Hadi Saleh CFO – Eric Oellerer

Investor Call – 2020 Q3 Financial Information

Disclaimer

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Overview of Q3 Performance



- Group Sales Q3'20: EUR 138m -7.1% vs. PY Q3 with strong recovery with 13% growth vs. Q2

- Medical Products Sales Q3'20: EUR 57m -3.9% vs. PY but with solid recovery vs. Q2 (+17%)

- Industrial Sales Q3'20: EUR 81m -9.3% vs PY with continued overall softer demand from Mobility, Machinery and Defence market due to Covid-19, partly offset by good development of piezo components especially for the Medical Equipment market and good regional development in the US and China. Sales levels well above Q2 with growth of 10%

- Group Adjusted EBITDA Q3'20: EUR 57m -0.8% vs. PY,. Driver for lower EBITDA vs PY were lower volumes with good impact from stringent cost control and good product and customer mix. EBITDA with strong bounce back vs. Q2 (+31% vs. Q2)

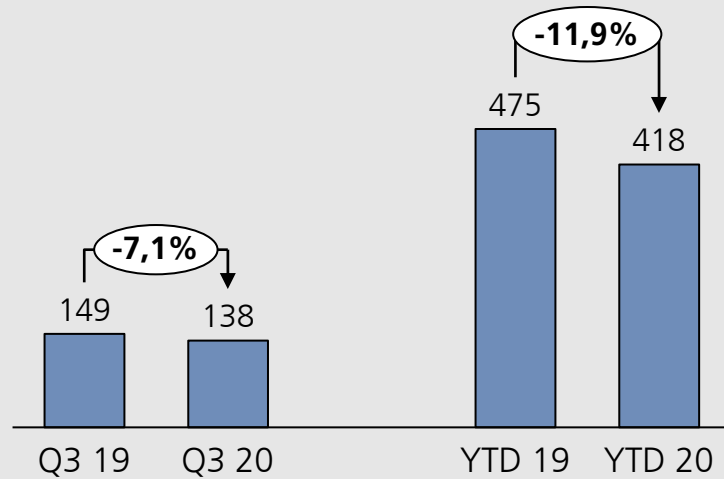
- Adjusted EBITDA margin Q3'20 of 41.0% well ahead of PY margin

- Total Net debt Leverage ratio Q3'20: 6.3x, with EUR 111m total liquidity available (cash on hand and undrawn revolver and ancillary) following full repayment of RCF in September

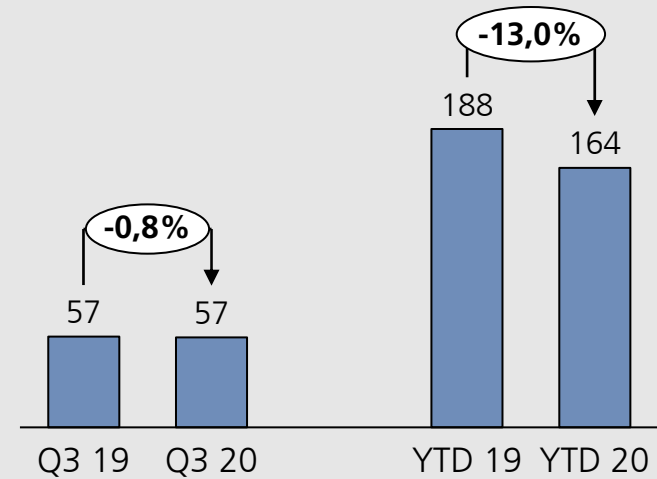


Q3 2020 Performance

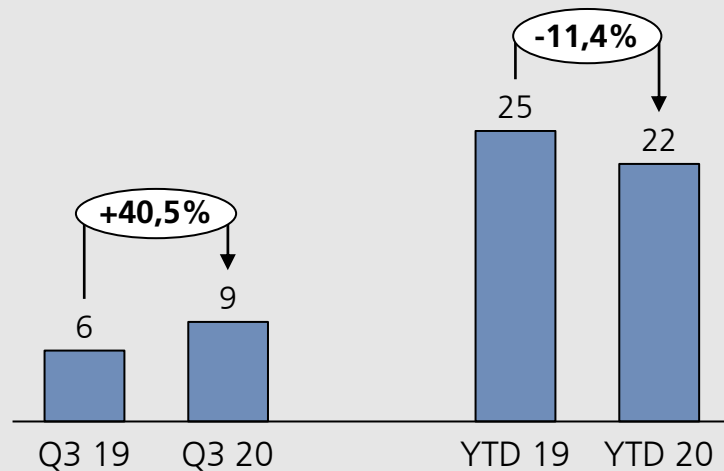
Sales (EURm)



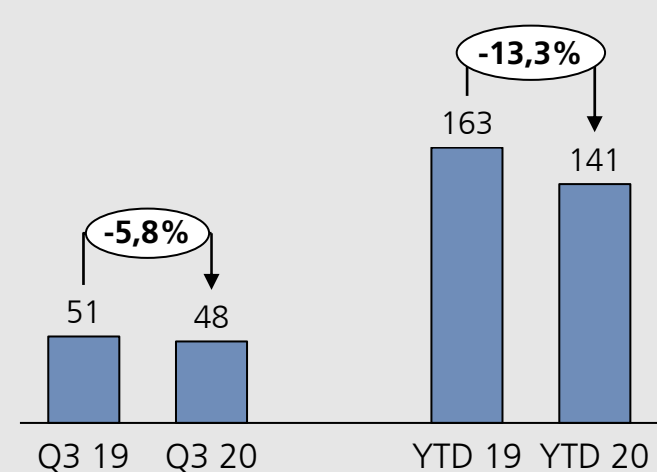
Adjusted EBITDA (EURm)



Net Capex (EURm)

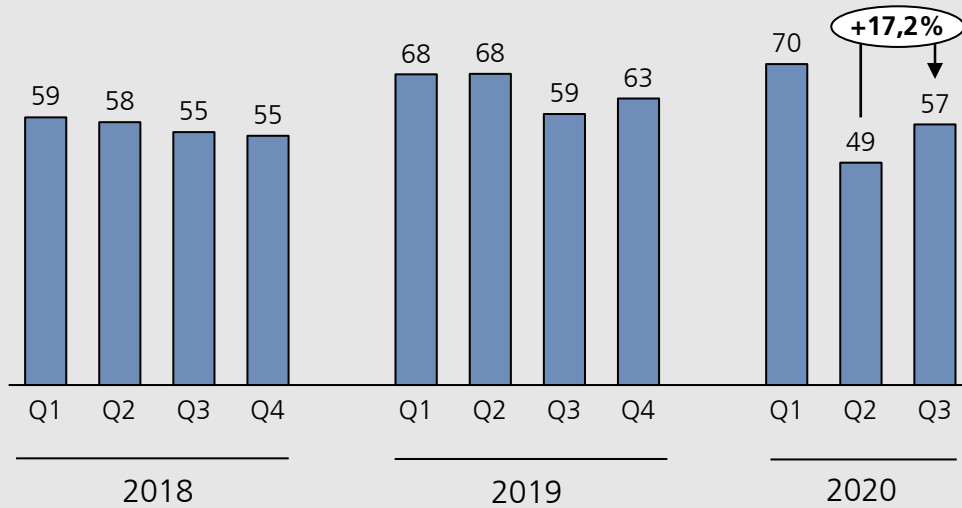


Adjusted EBITDA – Net Capex (EURm)



Medical and Industrial Sales Trend

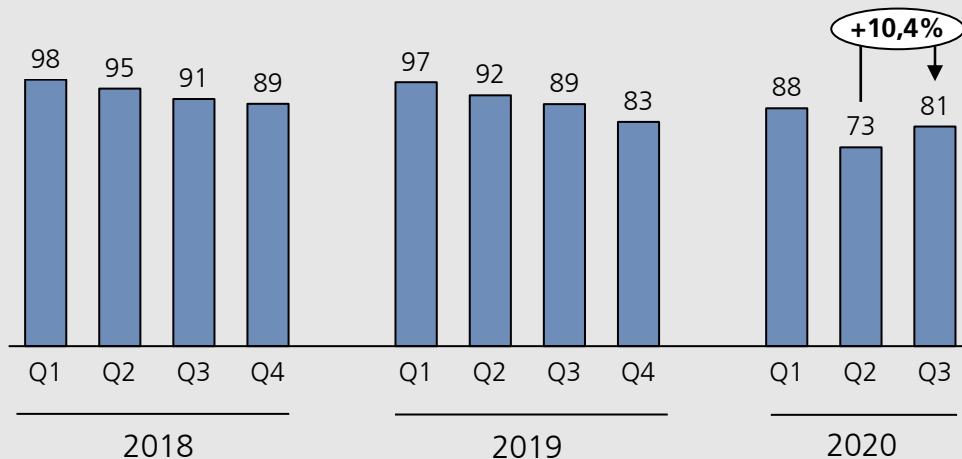
Medical Sales (EURm)



Comments

- Q3'20 Medical Sales -3.9% vs. PY but 17% up vs. Q2
- After high level of postponements and cancellations because of Covid-19 in Q2, sales levels have returned close to PY level in Q3, especially with good developments in Asia

Industrial Sales (EURm)



Comments

- Q3'20 Industrial Sales -9.3% vs. PY but 10% up from Q2
- 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 still some factory closures at customers)
 - Partly offset by good volumes for piezo ceramics for sensors for different end markets, esp. medical equipment

Q3 2020 Management Financials

In EURm	Q3 2020	Q3 2019	Δ
Net Sales	138.1	148.7	-7.1%
Medical Products	57.2	59.5	-3.9%
Industrial	81.0	89.2	-9.3%
Gross Profit ⁽¹⁾	71.8	77.6	-7.4%
<i>as % of Sales</i>	52.0%	52.2%	
SG&A⁽¹⁾	-15.7	-20.6	-23.5%
<i>as % of Sales</i>	-11.4%	-13.8%	
Other Inc./Exp.⁽¹⁾	0.6	0.1	+420.9%
<i>as % of Sales</i>	0.4%	0.1%	
Adj. EBITDA	56.7	57.2	-0.8%
<i>as % of Sales</i>	41.0%	38.4%	

(1) w/o Depreciation and Amortization

Comments on P&L

- Q3'20 Sales: Medical decreased by -3.9% vs. PY and Industrial markets decreased by -9.3% vs. PY, both businesses affected by low order income as well as order cancellations and postponements due to Covid-19 but with solid growth vs. Q2.
- Q3'20 Gross margin: -7.4%pts below PY suffering from a lower fixed cost absorption due to lower volumes. This impact was compensated by improved productivity as well as improved customer and product mix.
- Q3'20 SG&A: significant decrease vs. PY (-23.5%) due to strict cost management
- Q3' 20 Adj. EBITDA margin at 41.0% with +2.6%pts as result of strong savings in SG&A
- 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
Net Sales	418.3	474.9	-11.9%
Medical Products	176.4	195.8	-10.0%
Industrial	242.0	279.0	-13.3%
Gross Profit ⁽¹⁾	213.3	251.8	-15.3%
<i>as % of Sales</i>	51.0%	53.0%	
SG&A⁽¹⁾	-53.6	-63.8	-16.0%
<i>as % of Sales</i>	-12.8%	-13.4%	
Other Inc./Exp.⁽¹⁾	3.8	0.0	>1k%
<i>as % of Sales</i>	0.9%	0.0%	
Adj. EBITDA	163.5	188.0	13.0%
<i>as % of Sales</i>	39.1%	39.6%	

(1) w/o Depreciation and Amortization

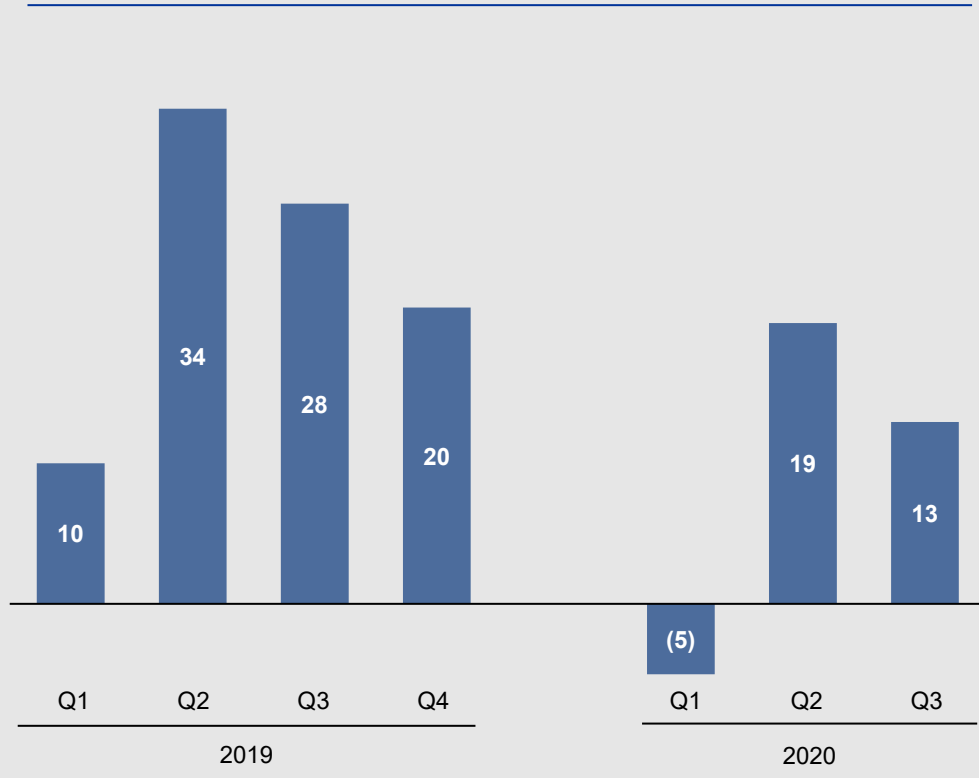
Comments on P&L

- YTD 20 Sales: Medical decreased by -10.0% vs. PY while Industrial markets decreased by -13.3% vs. PY, both businesses affected by low order income as well as order cancellations and postponements due to Covid-19
- YTD 20 Gross margin: -2.0%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 to 16.0% SG&A reduction vs. PY and in Q3 23.5% lower SG&A spending vs. PY
- YTD 20 Adj. EBITDA margin at 39.1% with -0.5%pts as a result of decreased Sales mainly due to Covid-19 but still on a very good level

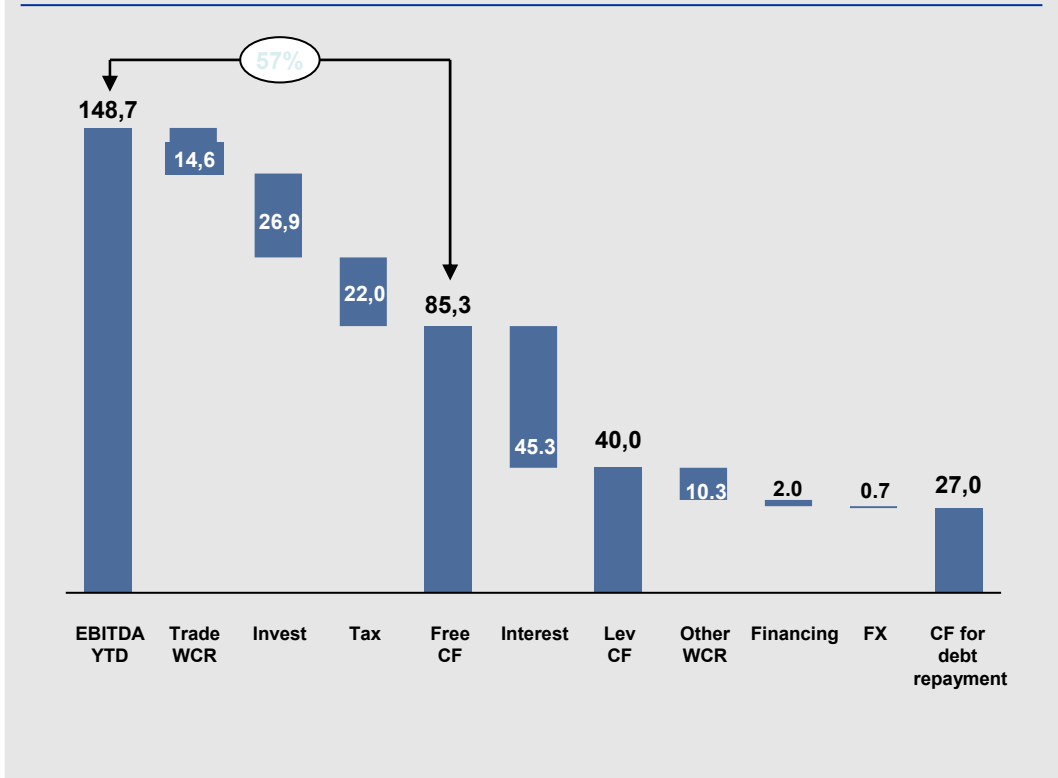
Note: All figures in EURm at actual FX rates including normalization adjustments

YTD 57% Operational Cash Conversion

Quarterly Cash Flow for Debt Repayment (EURm)



Cash Flow for Debt Repayment – YTD 2020 (EURm)

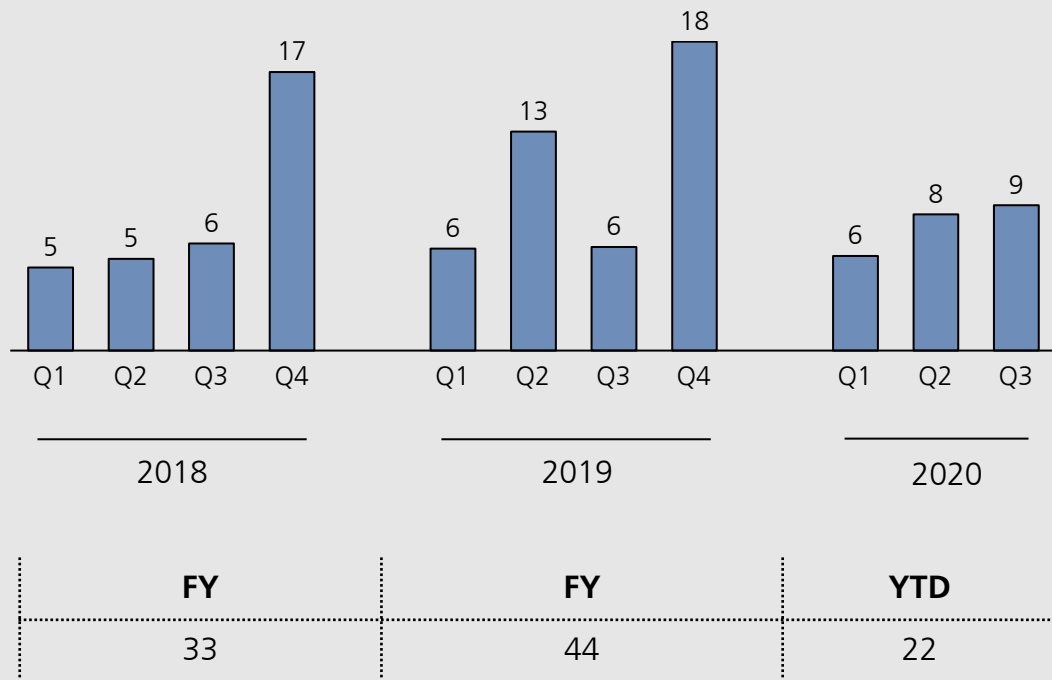


Reported Total CF to Cash Flow for Debt Repayment

EURm	Q1 19	Q2 19	Q3 19	Q4 19	FY19	Q1 20	Q2 20	Q3 20	YTD
Cash flow for debt repayment	10	34	28	20	92	(5)	19	13	27
+ RCF drawdown / (repayment)	-	-	-	-	-	67	-	(67)	-
+ Ancillary drawdown / (repayment)	-	-	-	-	-	7	(7)	-	-
- TLB voluntary prepayment	-	(33)	(21)	-	(54)	-	-	-	-
+ Bond re-sale / (buy-back)	-	-	-	5	5	-	-	-	-
- SHL repayment (principal + interest)	-	-	-	-	-	(55)	-	-	(55)
Total CF (as reported)	10	1	7	26	43	14	12	(54)	(28)

Net Capex Development

Net Capex (EURm)

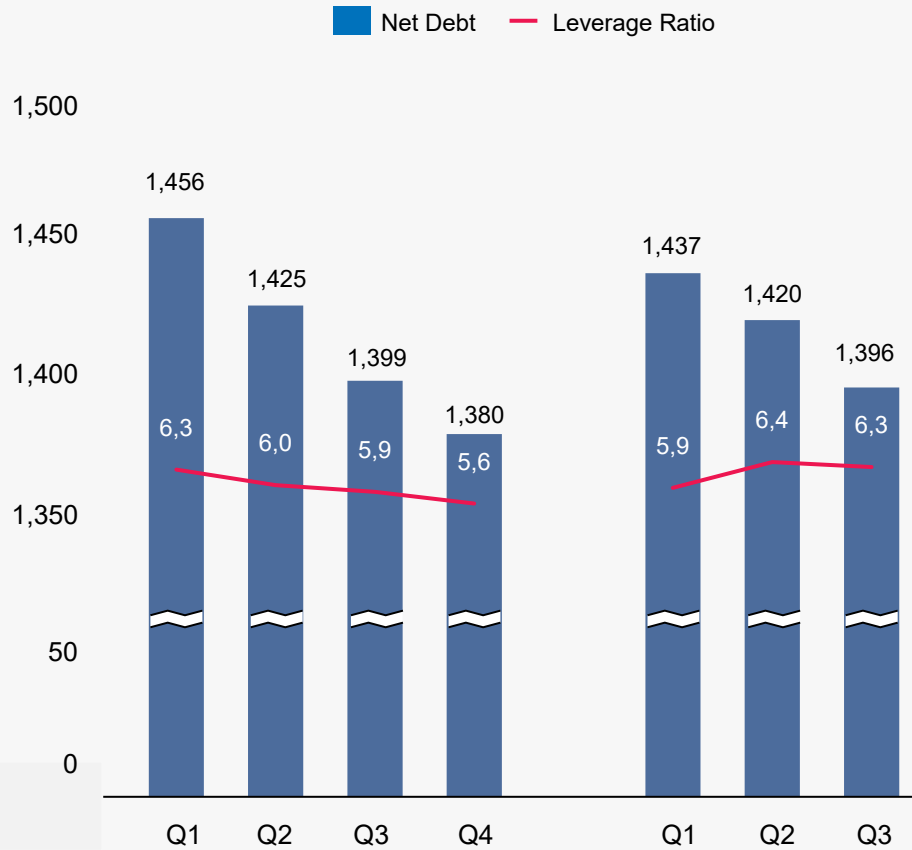


Comments

- Capex outflows to the extent possible reduced or postponed due to Covid-19
- Capex in 2020 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)



€28m and \$6m
TLB repaid in
May-19

€16m and \$5m
TLB repaid in
Aug-19

€55m
shareholder
loan and
interest
repayments
in Jan-20

EURm	Sep 30, 2019	Sep 30, 2020
Senior Debt	1,030.8	1,021.3
Bonds	401.0	406.0
Other	0.0	0.0
Revolver	0.0	0.0
Accrued Interests	5.3	5.4
Gross Debt	1,437.1	1,432.6
- Cash	(38.6)	(36.5)
Total Net Debt	1,398.5	1,396.1
LTM Adj. EBITDA	238.3	219.9
Leverage Ratio	5.9x	6.3x
Senior Net Debt Lev. Ratio	4.3x	4.5x
Net Senior Debt (SFA)	992.2	984.8
Cons. Pro Forma EBITDA (SFA)	247.1	227.0
Leverage ratio (SFA)	4.02	4.34



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