



# Investor Call

## Q4 2020

**Plochingen, April 28, 2021 - public-side information only**

CEO – Dr. Hadi Saleh      CFO – Eric Oellerer

# Investor Call – 2020 Q4 Financial Information Disclaimer

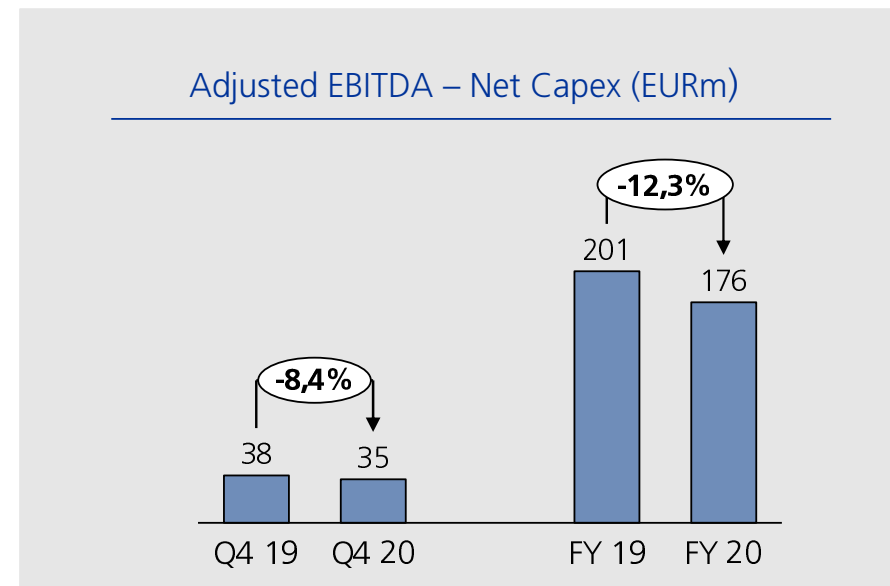
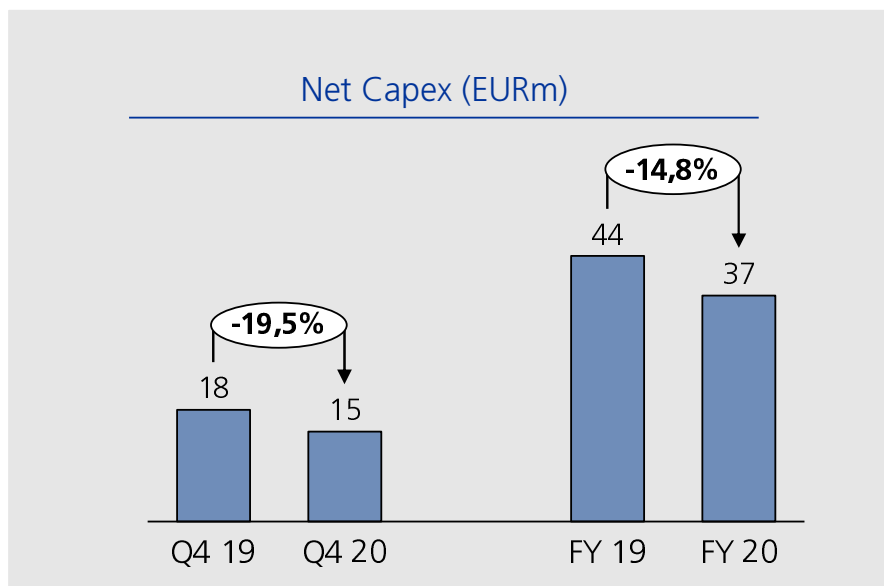
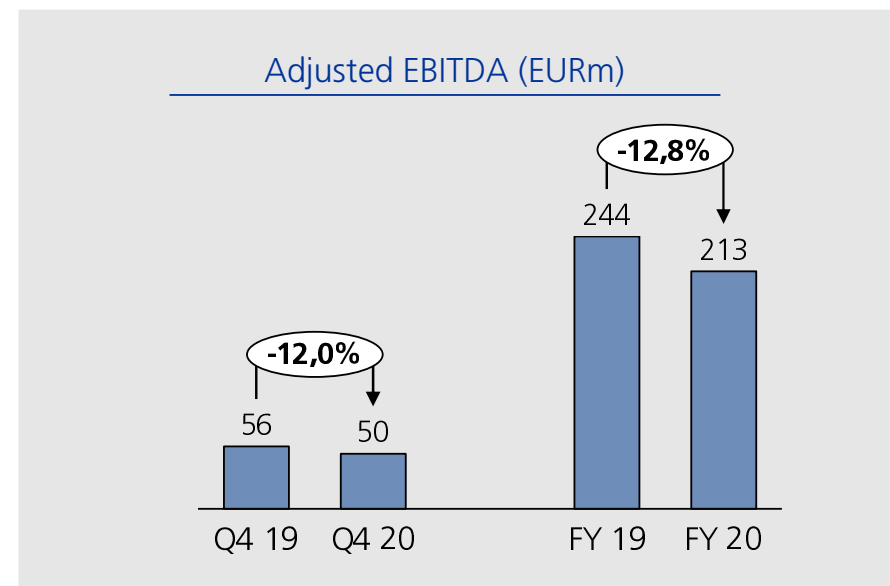
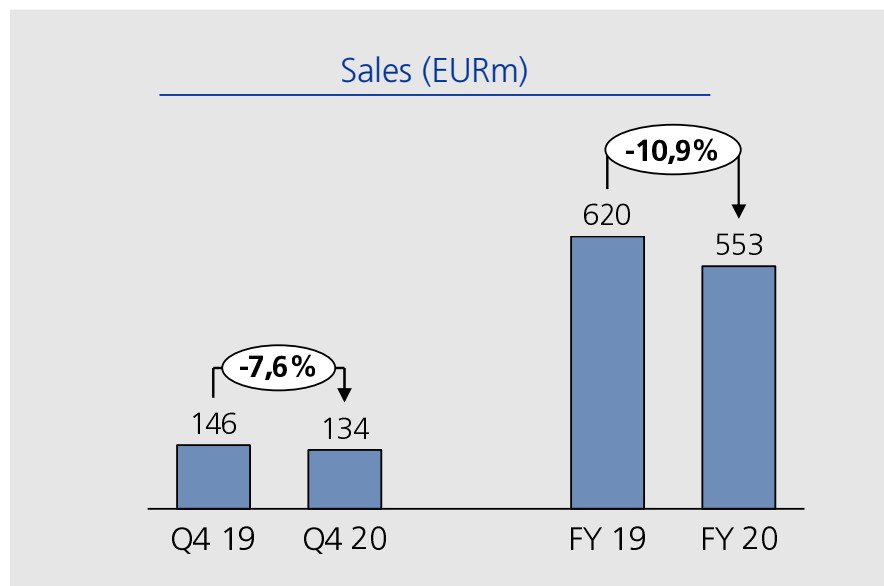
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# Overview of Q4 Performance

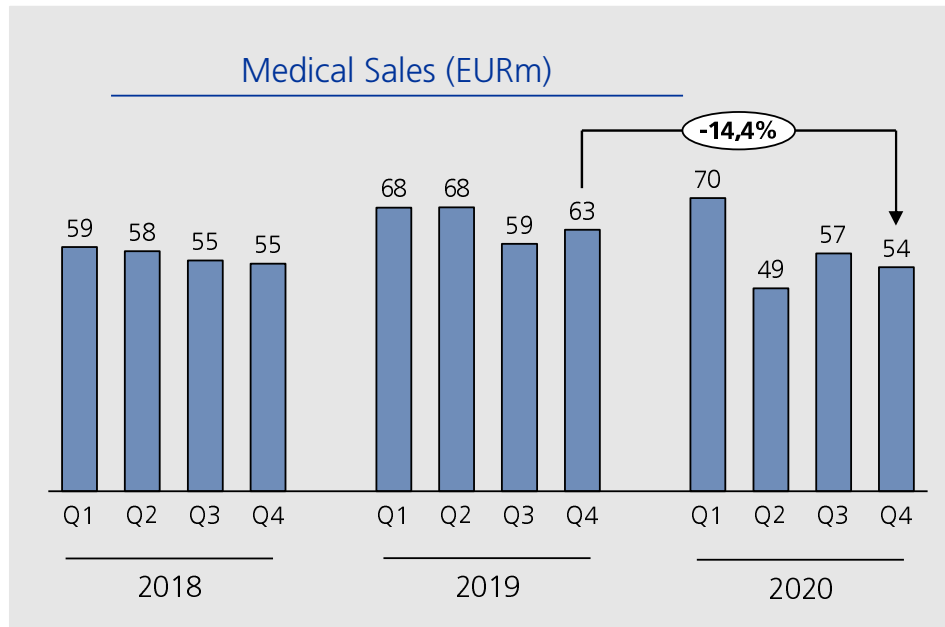


- Group Sales Q4'20: EUR 134m -7.6% vs. PY
- Medical Products Sales Q4'20: EUR 54m -14.4% vs. PY
- Industrial Sales Q4'20: EUR 81m -2.5% vs PY, pn PY level at constant currency. Continued slow pick up of most relevant end markets despite renewed Covid 19 induced lock downs. Continued good development of piezo components especially for the Medical Equipment market and good regional development in the US and China
- Group Adjusted EBITDA Q4'20: EUR 50m -12.0% vs. PY. Driver for lower EBITDA vs PY were lower volumes partly offset by good impact from stringent cost control and positive product and customer mix.
- Adjusted EBITDA margin Q4'20 of 36.9%
- Total net debt leverage ratio Q4'20 at 6.4x including a new syndicated loan with nominal EUR 175m in December 2020

# Q4 2020 Performance

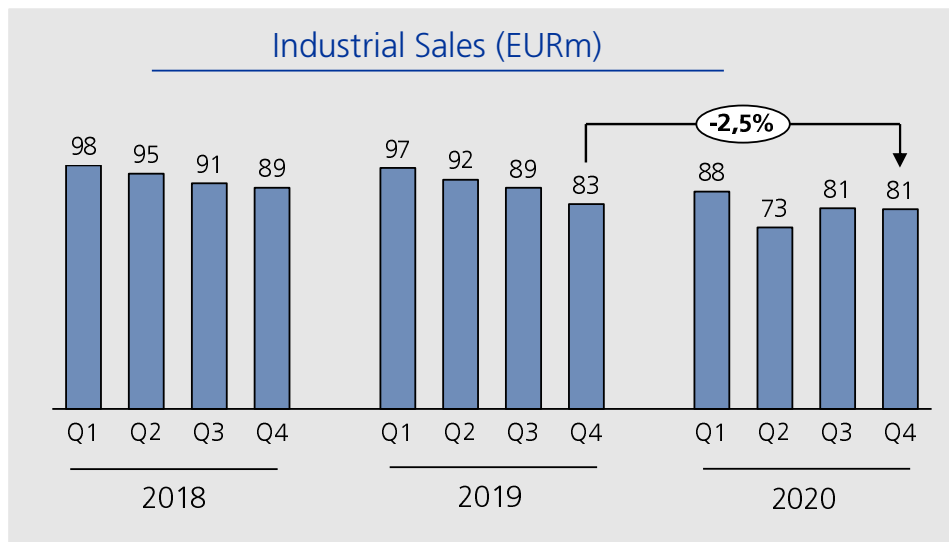


# Medical and Industrial Sales Trend



## Comments

- Q4'20 Medical Sales -14.4% vs. PY
- 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. 4th quarter sales were 14,4% below PY as Q4 '19 was exceptionally strong and Q4 '20 also saw some postponements of customers to Q1 2021.



## Comments

- Q4'20 Industrial Sales -2.5% vs. PY and on PY level at constant currency
- Key highlights:
  - Slowly improving sentiment across many end markets despite continued Covid-19 impacts
  - As in previous quarters good volumes for all piezo ceramics products, especially for sensors for medical equipment and strong rebound in North American and Chinese end markets

Note: All figures in EURm at actual rate

# Q4 2020 Management Financials

In EURm	Q4 2020	Q4 2019	Δ
<b>Net Sales</b>	<b>134.4</b>	<b>145.5</b>	<b>-7.6%</b>
Medical Products	53.8	62.8	-14.4%
Industrial	80.6	82.7	-2.5%
<b>Gross Profit <sup>(1)</sup></b>	<b>66.3</b>	<b>75.0</b>	<b>-11.6%</b>
<i>as % of Sales</i>	49.4%	51.6%	
<b>SG&amp;A<sup>(1)</sup></b>	<b>-17.2</b>	<b>-18.1</b>	<b>-4.7%</b>
<i>as % of Sales</i>	-12.8%	-12.4%	
<b>Other Inc./Exp.<sup>(1)</sup></b>	<b>0.4</b>	<b>-0.7</b>	<b>-</b>
<i>as % of Sales</i>	0.3%	-0.5%	
<b>Adj. EBITDA</b>	<b>49.6</b>	<b>56.3</b>	<b>-12.0%</b>
<i>as % of Sales</i>	36.9%	38.7%	

(1) w/o Depreciation and Amortization

## Comments

- Q4'20 Sales: Medical decreased by -14.4% vs. PY and Industrial markets decreased by -2.5% vs. PY, both businesses affected by still slower business than Q4 2019 due to Covid impacts
- Q4'20 Gross margin: -2.2%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.
- Q4'20 SG&A: decrease vs. PY (-4.7%) due to strict cost management
- Q4'20 Adj. EBITDA margin at 36.9% with -1.8%pts as result of strong PY despite strong savings in SG&A in Q4'20
- Due to Covid-19 outbreak SG&A, Capex and Cash outflows to the extent possible reduced

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>552.7</b>	<b>620.4</b>	<b>-10.9%</b>
Medical Products	230.2	258.7	-11.0%
Industrial	322.5	361.7	-10.8%
<b>Gross Profit <sup>(1)</sup></b>	<b>279.7</b>	<b>326.8</b>	<b>-14.4%</b>
<i>as % of Sales</i>	50.6%	52.7%	
<b>SG&amp;A<sup>(1)</sup></b>	<b>-70.8</b>	<b>-81.9</b>	<b>-13.5%</b>
<i>as % of Sales</i>	-12.8%	-13.2%	
<b>Other Inc./Exp.<sup>(1)</sup></b>	<b>4.2</b>	<b>-0.6</b>	<b>-751.4%</b>
<i>as % of Sales</i>	0.8%	-0.1%	
<b>Adj. EBITDA</b>	<b>213.1</b>	<b>244.3</b>	<b>-12.8%</b>
<i>as % of Sales</i>	38.6%	39.4%	

(1) w/o Depreciation and Amortization

## Comments

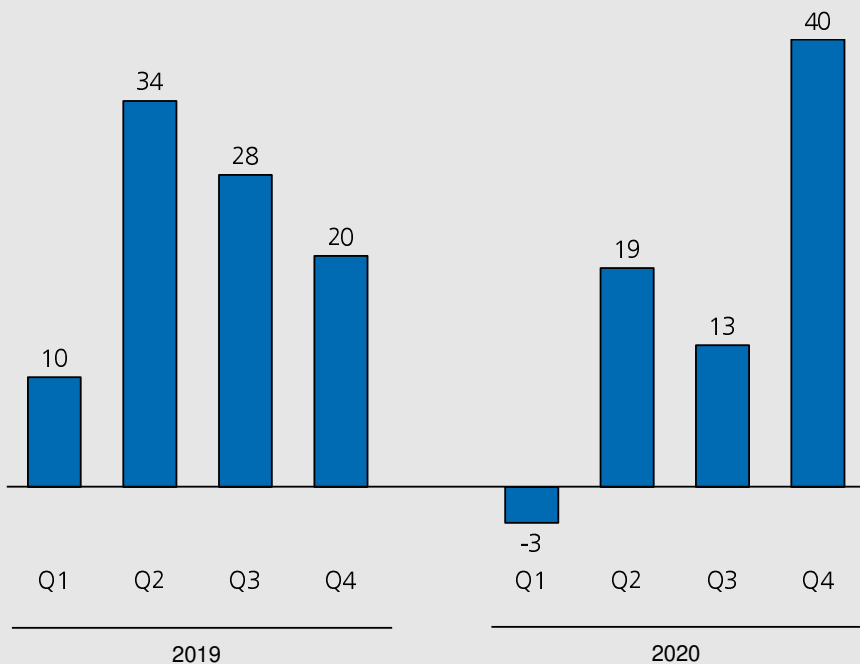
- YTD 20 Sales: Medical decreased by -11.0% vs. PY while Industrial markets decreased by -10.8% vs. PY, both businesses affected by low order income as well as order cancellations and postponements due to Covid-19 especially in Q2 and Q3
- YTD 20 Gross margin: -2.1%pts below PY suffering from a lower 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 13.5% SG&A reduction vs. PY
- YTD 20 Adj. EBITDA margin at 38.6% with -0.8%pts as a result of decreased Sales mainly due to Covid-19 but still on a very good level following solid rebound as off Q3 and good cost control

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

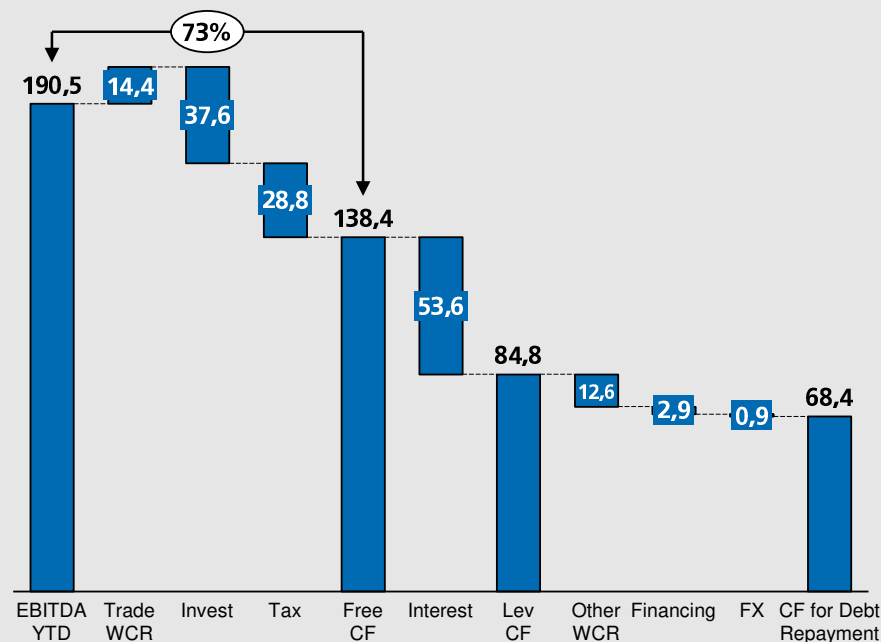


# YTD 73% Operational Cash Conversion

Quarterly Cash Flow for Debt Repayment (EURm)



Cash Flow for Debt Repayment – YTD 2020 (EURm)



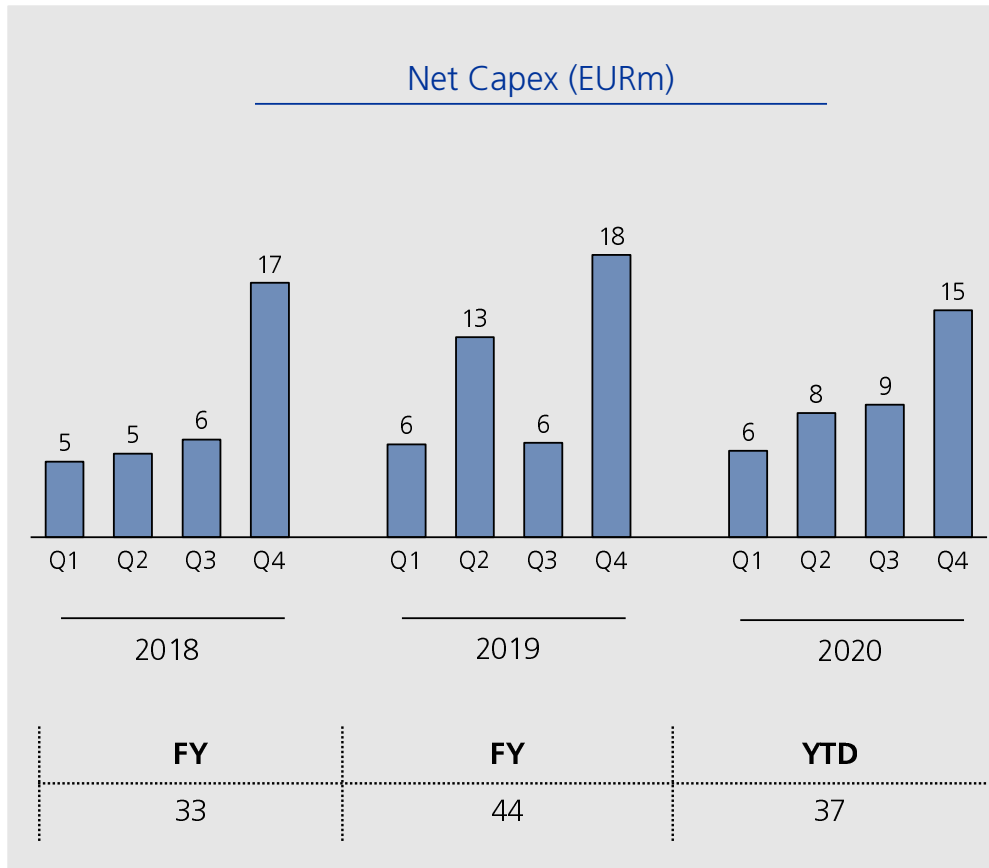
Reported Total CF to Cash Flow for Debt Repayment

EURm	Q1 19	Q2 19	Q3 19	Q4 19	FY19	Q1 20	Q2 20	Q3 20	Q4 20	FY20
<b>Cash flow for debt repayment</b>	10	34	28	20	92	-3	19	13	40	68
+ RCF drawdown / (repayment)	-	-	-	-	-	67	-	-67	-	-
+ Ancillary drawdown / (repayment) / syndicated loan	-	-	-	-	-	7	-7	-	168	168
- TLB voluntary prepayment	-	-33	-21	-	-54	-	-	-	-	-
+ Bond re-sale / (buy-back)	-	-	-	5	5	-	-	-	-	-
- SHL repayment (principal + interest)	-	-	-	-	-	-57*	-	-	-	-57
<b>Total CF (as reported)</b>	10	1	7	26	43	14	12	-54	208	180

\* Including -2m interest which were not included in the document of Q3



# Net Capex Development

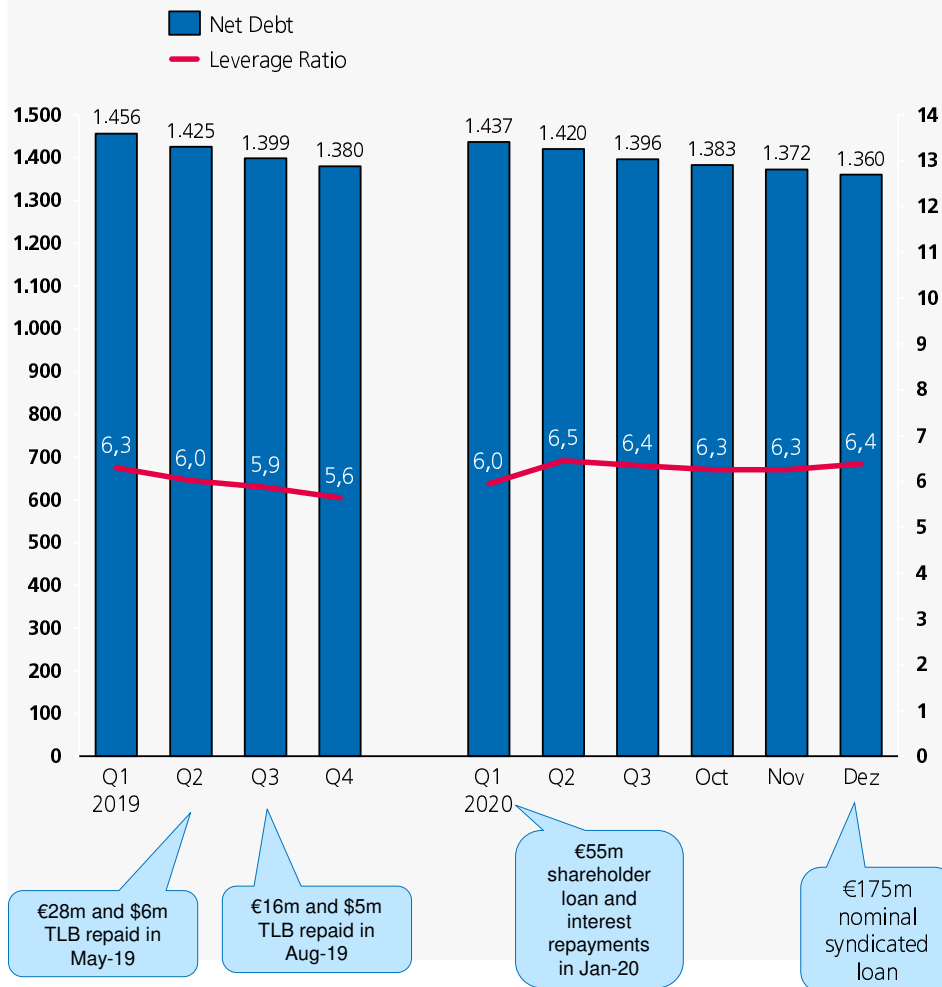


## Comments

- 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)



EURm	Dec 31, 2019	Dec 31, 2020
Senior Debt	1.027,2	1.190,3
Bonds	406,0	406,0
Other	0,0	0,0
Revolver	0,0	0,0
Accrued Interests	10,7	8,1
<b>Gross Debt</b>	<b>1.443,8</b>	<b>1.604,5</b>
- Cash	-64,4	-244,1
<b>Total Net Debt</b>	<b>1.379,5</b>	<b>1.360,3</b>
LTM Adj. EBITDA	244,3	213,1
<b>Leverage Ratio</b>	<b>5,6x</b>	<b>6,4x</b>
<b>Senior Net Debt Lev. Ratio</b>	<b>3,9x</b>	<b>4,4x</b>
Net Senior Debt (SFA)	962.8	946.2
Cons. Pro Forma EBITDA (SFA)	253.9	219,0
<b>Leverage ratio (SFA)</b>	<b>3.79x</b>	<b>4.32x</b>



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