



Investor Call

Q3 2021

Plochingen, December 02, 2021 - public-side information only

CEO – Dr. Hadi Saleh

CFO – Eric Oellerer

Investor Call – 2021 Q3 Financial Information

Disclaimer

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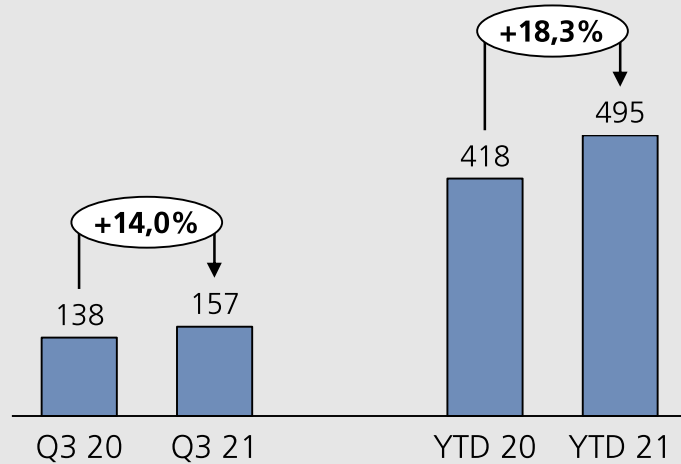
Overview of Q3 Performance



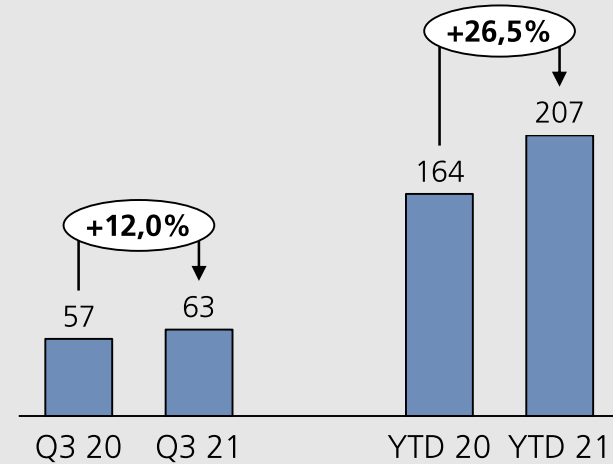
- Group Sales Q3'21: EUR 157.4m +14.0% vs. PY
- Medical Products Sales Q3'21: EUR 66.6m +16.6% vs. PY
- Industrial Sales Q3'21: EUR 90.8m +12.2% vs. PY. Ongoing recovery in business across all end markets and regions
- Management Adjusted EBITDA Q3'21: EUR 63.5m +12.0% vs. PY. Drivers for higher EBITDA vs. PY were mainly higher volumes and good impact from stringent cost control
- Management Adjusted EBITDA margin Q3'21 of 40.3%
- Total net debt leverage ratio Q3'21 at 5.2x including a top up of the existing syndicated loan with nominal EUR 175m from December 2020 and EUR 276M of cash on hand

Q3 2021 Performance

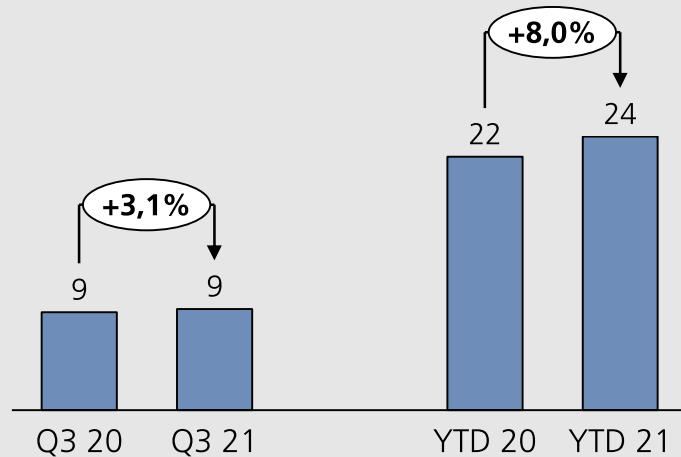
Revenue (EURm)



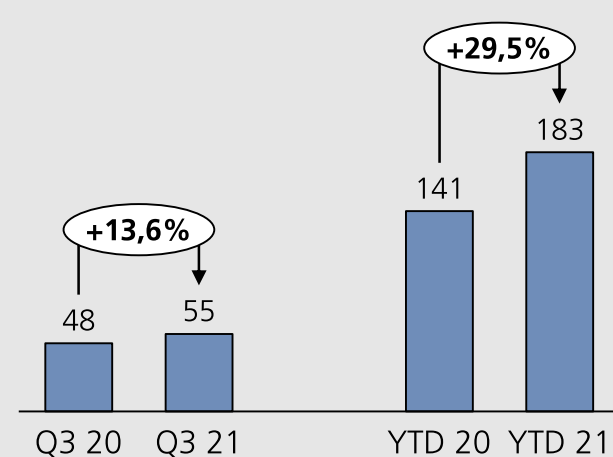
Management Adjusted EBITDA (EURm)



Net Capex (EURm)

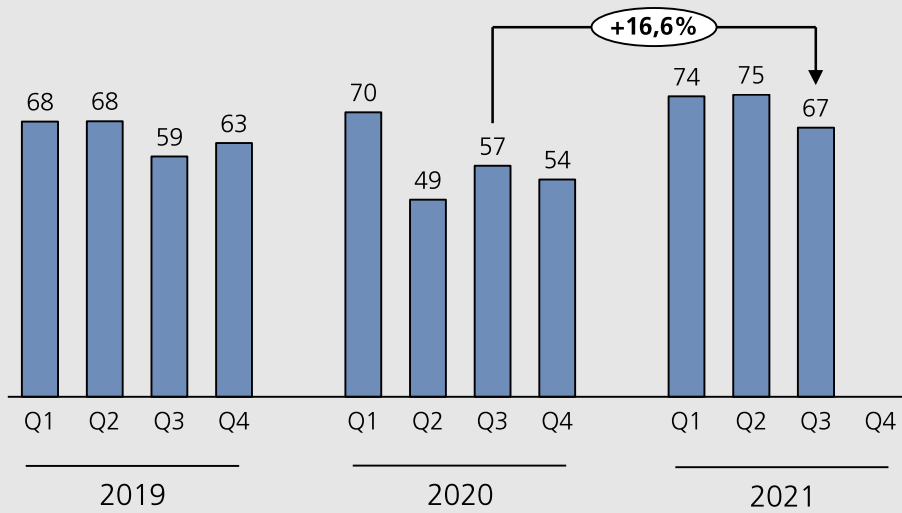


Management Adjusted EBITDA – Net Capex (EURm)



Medical and Industrial Product Sales Trend

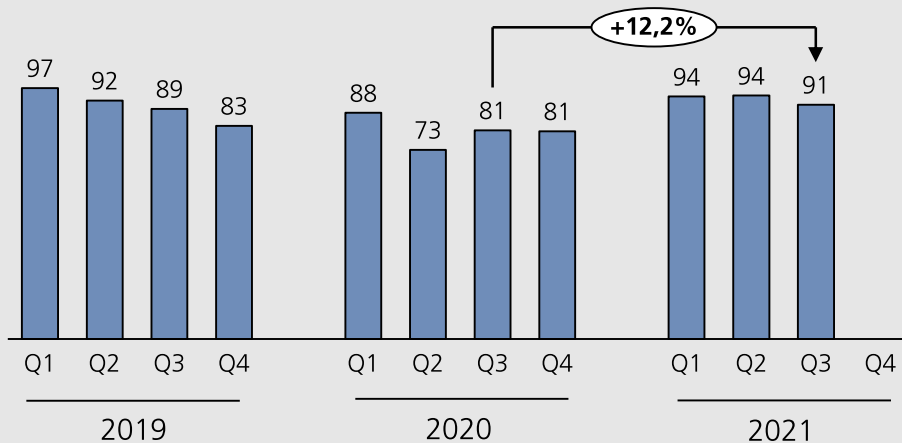
Medical Product Sales (EURm)



Comments

- Q3'21 Medical Products Sales +16.6% vs. PY incl. Dentalpoint. Organic growth was +14.1% vs. PY. Q3 '21 sales also well ahead of 2019 sales levels.
- Growing demand in China and from top customers, slower recovery of demand in Europe because of continued Covid-19 impact

Industrial Product Sales (EURm)



Comments

- Q3'21 Industrial Sales +12.2% vs. PY. On constant currency, sales growth was +11.1% vs PY. Q3' 21 also ahead of comparable period 2019
- Demand higher than PY in most markets (except sales in Medical Equipment)
- Recovery in all key businesses, including machinery, electronics and automotive. Especially positive development in Asia

Q3 2021 Management Financials

In EURm	Q3 2021	Q3 2020	Δ
Net Sales	157.4	138.1	14.0%
Medical Products	66.6	57.2	16.6%
Industrial	90.8	81.0	12.2%
Gross Profit ⁽¹⁾	82.7	71.8	15.1%
<i>as % of Sales</i>	52.5%	52.0%	
SG&A⁽¹⁾	-19.5	-15.7	24.0%
<i>as % of Sales</i>	-12.4%	-11.4%	
Other Inc./Exp.⁽¹⁾	0.3	0.6	-52.0%
<i>as % of Sales</i>	0.2%	0.4%	
Management Adj. EBITDA	63.5	56.7	12.0%
<i>as % of Sales</i>	40.3%	41.0%	-0.7%

(1) Incl R&D; w/o Depreciation and Amortization and other extraordinary items

Comments

- Q3'21 Sales: Medical Products increased by +16.6% vs. PY and Industrial markets increased by +12.2% vs. PY, both businesses benefit from the recovery of the markets from Covid-19 impact as well as new customer generation and new product launches
- Q3'21 Gross margin: +0.5%pts over PY driven by good volume and productivity improvements
- Q3'21 SG&A: increase vs. PY by 24.0% driven by volume growth, less cost reduction programmes compared to 2020 and selected initiatives to improve customer focus, with ongoing cost control
- Q3'21 Management Adj. EBITDA margin at 40.3% with -0.7%pts

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

YTD 2021 Management Financials

In EURm	YTD Q3 2021	YTD Q3 2020	Δ
Net Sales	495.1	418.3	18.3%
Medical Products	215.8	176.4	22.3%
Industrial	279.3	242.0	15.4%
Gross Profit ⁽¹⁾	265.3	213.3	24.4%
<i>as % of Sales</i>	53.6%	51.0%	
SG&A⁽¹⁾	-59.5	-53.6	11.0%
<i>as % of Sales</i>	-12.0%	-12.8%	
Other Inc./Exp.⁽¹⁾	1.1	3.8	-72.1%
<i>as % of Sales</i>	0.2%	0.9%	
Management Adj. EBITDA	206.9	163.5	26.5%
<i>as % of Sales</i>	41.8%	39.1%	2.7%

(1) Incl R&D; w/o Depreciation and Amortization and other extraordinary items

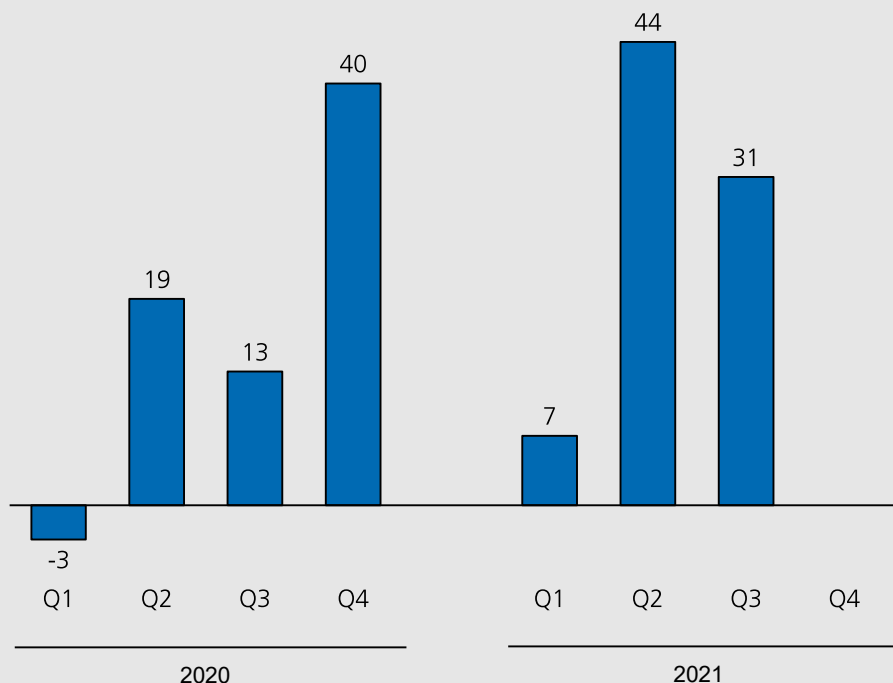
Comments

- YTD 21 Sales: Medical increased by +22.3% vs. PY and Industrial markets increased by +15.4% vs. PY, both businesses benefit from the recovery of the markets from Covid-19 impact
- YTD Gross margin: +2.6%pts over PY driven by good volume, positive customer and product mix, higher utilization as well as ongoing productivity improvements
- YTD SG&A: SG&A as percentage of sales at 12.0% well below 2020 and previous years driven by strict cost management and efficiency gains from different reorganisation / restructuring projects in 2019 and 2020
- YTD Management Adj. EBITDA margin at 41.8% +2.7%pts above PY as result of good volume growth, solid product mix, productivity improvements and improved cost base

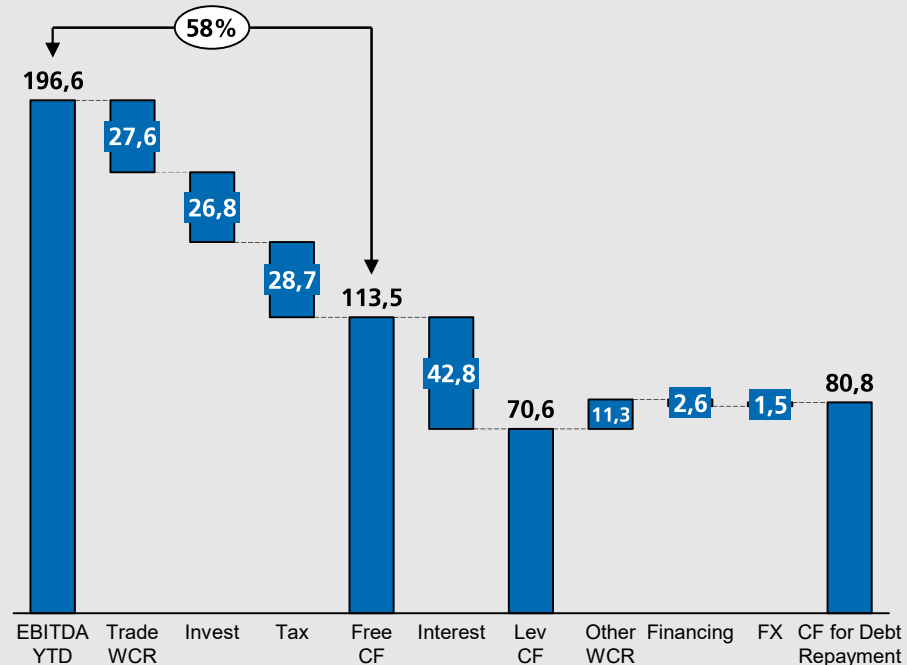
Note: All figures in EURm at actual FX rates including normalization adjustments

YTD 58% Operational Cash Conversion

Quarterly Cash Flow for Debt Repayment (EURm)



Cash Flow for Debt Repayment – YTD 2021 (EURm)

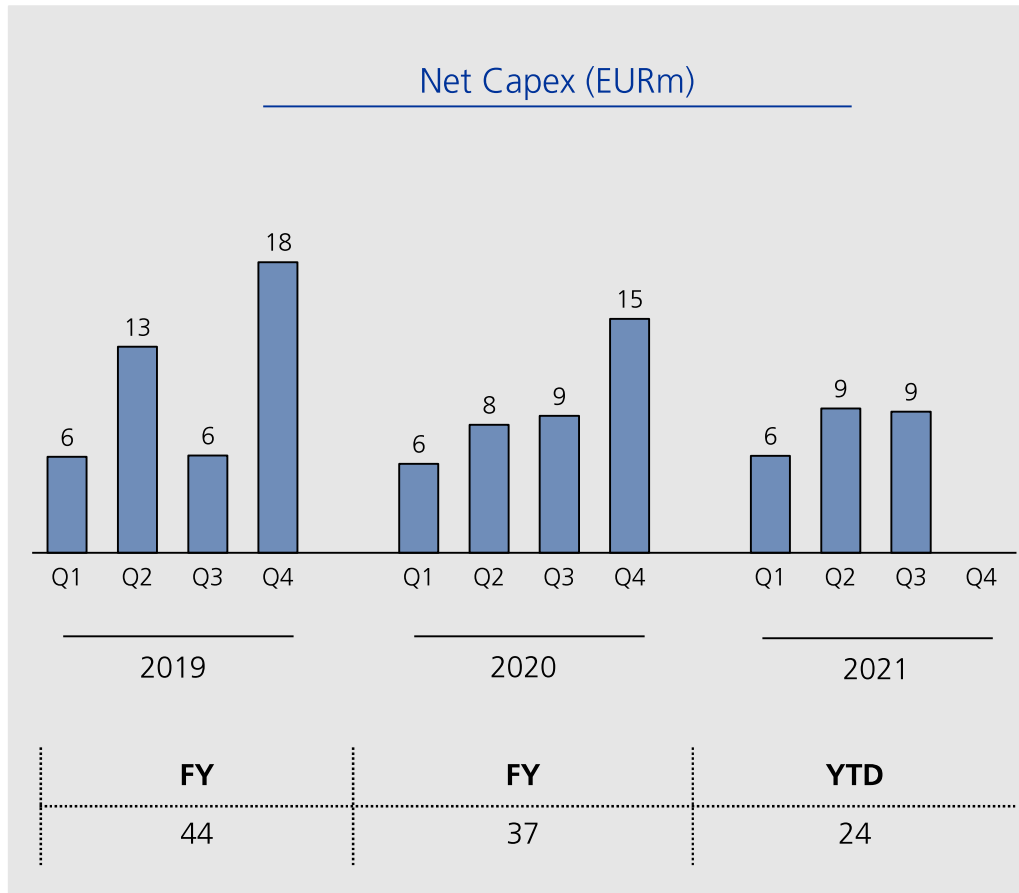


Reported Total CF to Cash Flow for Debt Repayment

EURm	Q1 20	Q2 20	Q3 20	Q4 20	FY20	Q1 21	Q2 21	Q3 21	Q4 21	FY21
Cash flow for debt repayment	-3	19	13	40	68	7	44	31	31	81
+ RCF drawdown / (repayment)	67	-	-67	-		-	-	-	-	-
+ Ancillary drawdown / (repayment) / syndicated loan	7	-7	-	168	168	-	-	-	-	-
- Acquisition	-	-	-	-		-50	-	1	-	-49
- TLB voluntary prepayment	-	-	-	-		-	-	-	-	-
+ Bond re-sale / (buy-back)	-	-	-	-		-	-	-	-	-
- SHL repayment (principal + interest)	-57*	-	-	-	-57*	-	-	-	-	-
Total CF (as reported)	14	12	-54	208	180	-44	44	32	32	32

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

Net Capex Development

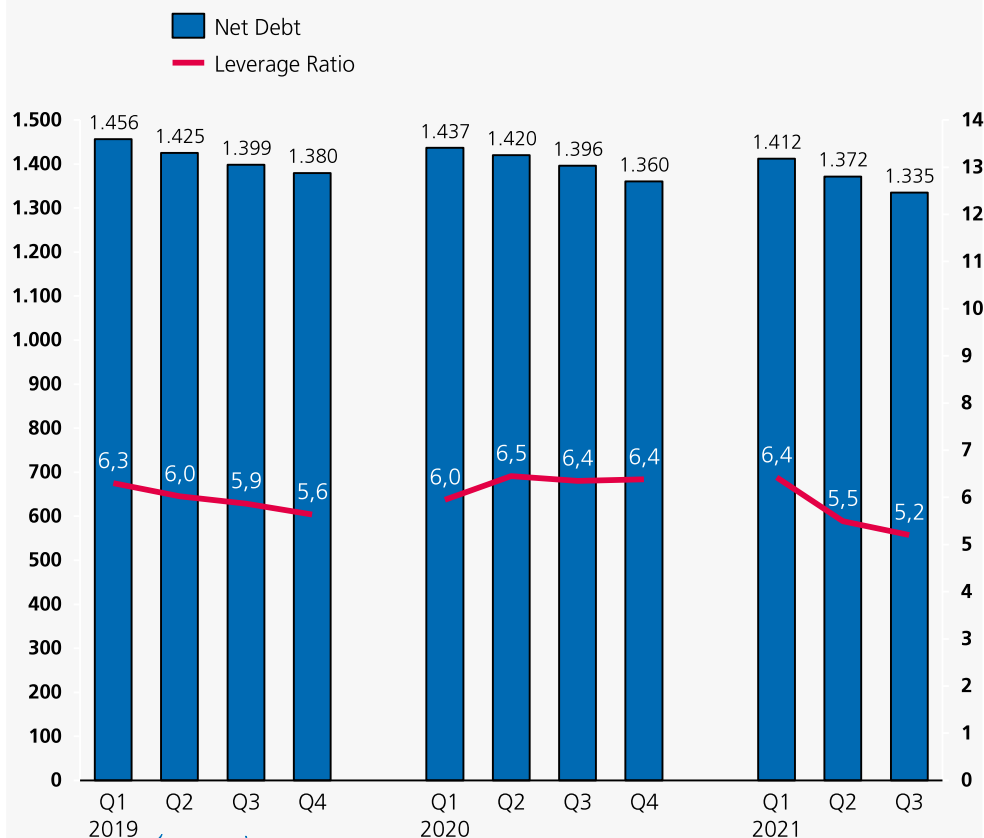


Comments

- Capex continues to be managed tightly with focus on growth investments in key end markets
- Key Projects are ensuring long term capacity increase projects in Medical, necessary maintenance activities and selected Industrial, digitalization and ESG projects
- Capex in 2021 furthermore with a number of projects ensuring that strong increase in order intake can be managed

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

€175m nominal syndicated loan

€50m for acquisition of Dental Point

EURm	Sep 30, 2020	Sep 30, 2021
Senior Debt	1.021,3	1.197,7
Bonds	406,0	406,0
Other	0,0	1,8
Revolver	0,0	0,0
Accrued Interests	5,4	5,4
Gross Debt	1.432,6	1.610,8
- Cash	-36,5	-276,0
Total Net Debt	1.396,1	1.334,9
LTM Adj. EBITDA	219,9	256,5
Leverage Ratio	6,3x	5,2x
Senior Net Debt Lev. Ratio	4,5x	3,6x
Net Senior Debt (SFA)	984,8	923,5
Cons. Pro Forma EBITDA (SFA)	227	263,7
Leverage ratio (SFA)	4,3x	3,5x



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