

Investor Call

Q4 2021



➤ Plochingen, May 04, 2022 – public-side information only

- CEO – Dr. Hadi Saleh
- CFO – Eric Oellerer

Investor Call – 2021 Q4 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.

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Overview of Q4 Performance



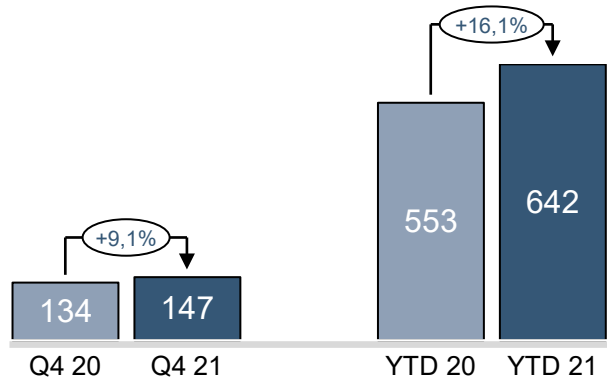
- Group Revenue Q4'21: EUR 146.7m +9.1% vs. PY
- Medical Markets* Revenue Q4'21: EUR 68.5m +9.9% vs. PY
- Industrial Markets* Revenue Q4'21: EUR 78.3m +8.5% vs. PY.
Ongoing recovery in business across all end markets and regions
- Management Adjusted EBITDA Q4'21: EUR 52.0m +5.0% vs. PY.
Drivers for higher EBITDA vs. PY were mainly higher volumes and good impact from on-going stringent cost control
- Management Adjusted EBITDA margin Q4'21 of 35.5% leading to a YTD margin of 40.3%
- Total net debt leverage ratio Q4'21 at 5.1x including EUR 291M of cash on hand at the end of 2021

* Historically, the performance of the Group was monitored based on a Business Unit / legal entity view. In the structure, Medical Products includes Orthopaedic and Dental implants only. All other products were allocated to the Industrial business. Going forward, we will look at the overall business from a target market perspective, that is split into Medical and Industrial markets and leads to the medical equipment products, previously shown in the Industrial business sold to medical customers now being classified in the Medical Markets.

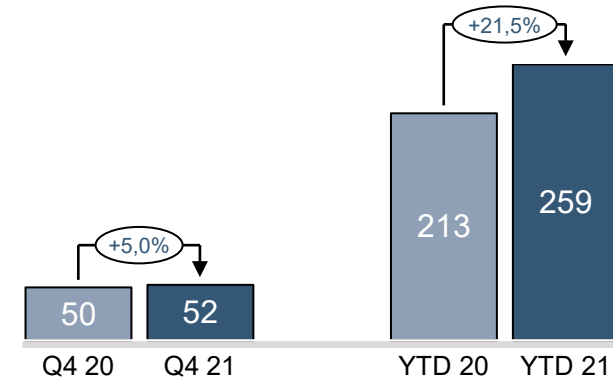
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Q4 2021 Performance

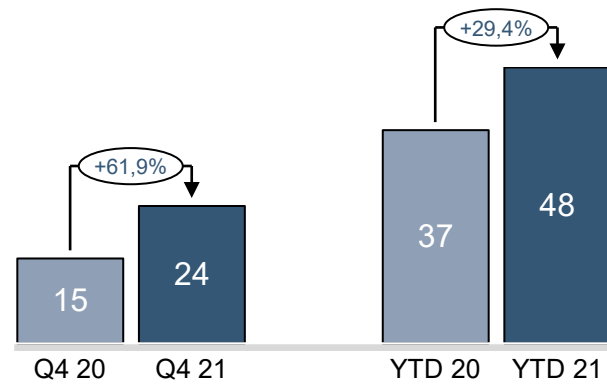
Revenue (EURm)



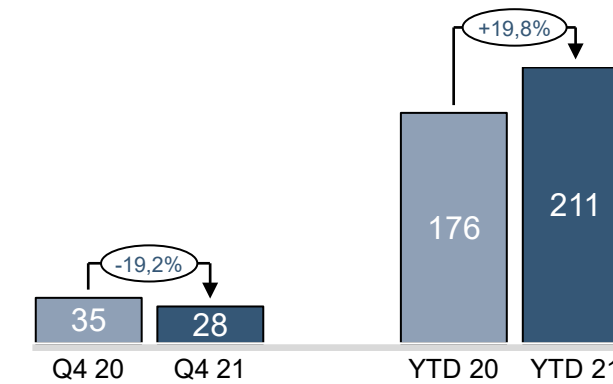
Management Adjusted EBITDA (EURm)



Net Capex (EURm)



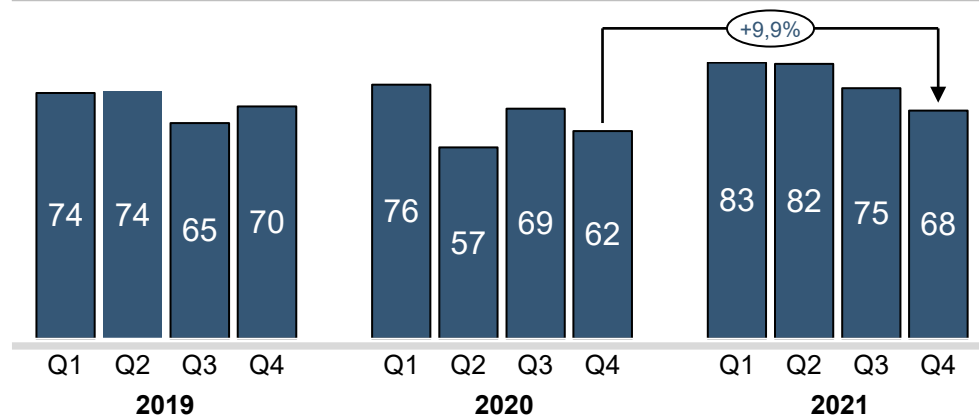
Management Adjusted EBITDA – Net Capex (EURm)



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Medical and Industrial Markets – Revenue Trend

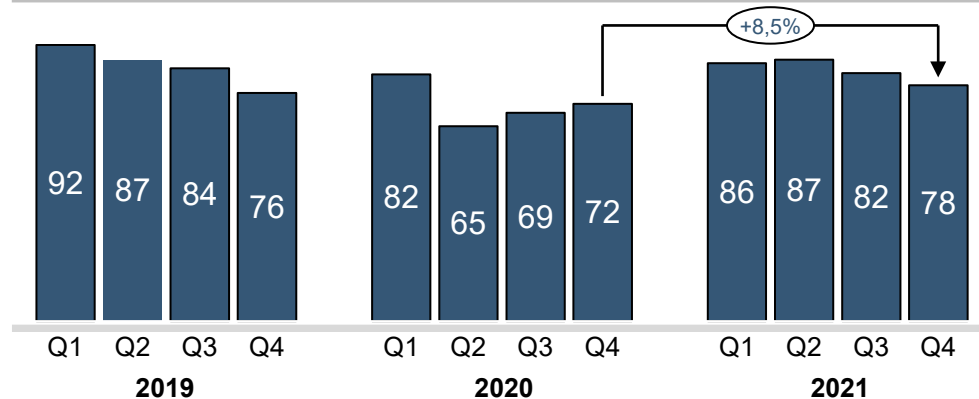
Medical Markets (EURm)



Comments

- Q4'21 Medical Markets Revenue +9.9% vs. PY incl. Dentalpoint, organic growth was +7.6% vs PY. On constant currency, revenue growth was +9.4% vs PY. Overall revenue in 2021 increased by +16.6%
- Key drivers for the strong performance were growing demand from key customers in China and North America, partly offset by demand in Europe which was still impacted by Covid-19 consequences and revenue in Medical Equipment not repeating COVID-19 driven peak from PY

Industrial Markets (EURm)



Comments

- Q4'21 Industrial Revenue +8.5% vs. PY. On constant currency, revenue growth was +6.3% vs PY. Full year 2021 strongly ahead of 2020 by +15.7%, on constant currency +16.1% above PY
- Recovery in all key markets including machinery, electronics and mobility. Especially positive development in Asia and North America.

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Q4 2021 Management Financials

In EURm	Q4 2021	Q4 2020	Δ
Net Revenue	146,7	134,4	9,1%
Medical Markets	68,5	62,3	9,9%
Industrial Markets	78,3	72,1	8,5%
Gross Profit ⁽¹⁾	73,3	66,3	10,5%
<i>as % of Revenue</i>	50,0%	49,4%	0,6
SG&A⁽¹⁾	-20,9	-17,2	21,5%
<i>as % of Revenue</i>	-14,3%	-12,8%	
Other Inc./Exp.⁽¹⁾	-0,4	0,4	n/a
<i>as % of Revenue</i>	-0,2%	0,3%	
Management Adj. EBITDA	52,0	49,6	5,0%
<i>as % of Revenue</i>	35,5%	36,9%	-1,4

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

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

Comments

- Q4'21 Revenue: Medical markets increased by +9.9% vs. PY and Industrial markets increased by +8.5% vs. PY, both businesses continue to benefit from the recovery of the markets from Covid-19 impact as well as new customer generation and new product launches. Some Industrial end markets seeing slower growth due to worldwide supply chain issues.
- Q4'21 Gross margin: +0.6%pts over PY driven by good volume and productivity improvements
- Q4'21 SG&A: increase vs. PY by 21.5% driven by volume growth, less cost reduction programs compared to 2020 and selected initiatives to improve customer focus, with ongoing cost control
- Q4'21 Management Adj. EBITDA margin at 35.5% with -1.4%pts

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YTD 2021 Management Financials

In EURm	YTD 2021	YTD 2020	Δ
Net Revenue	641,7	552,7	16,1%
Medical Markets	309,1	265,1	16,6%
Industrial Markets	333,0	287,9	15,7%
Gross Profit ⁽¹⁾	338,6	279,7	21,1%
<i>as % of Revenue</i>	52,8%	50,6%	2,2
SG&A⁽¹⁾	-80,4	-70,8	13,5%
<i>as % of Revenue</i>	-12,5%	-12,8%	
Other Inc./Exp.⁽¹⁾	0,7	4,2	-83,6%
<i>as % of Revenue</i>	0,1%	0,8%	
Management Adj. EBITDA	258,9	213,1	21,5%
<i>as % of Revenue</i>	40,3%	38,6%	1,8

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

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

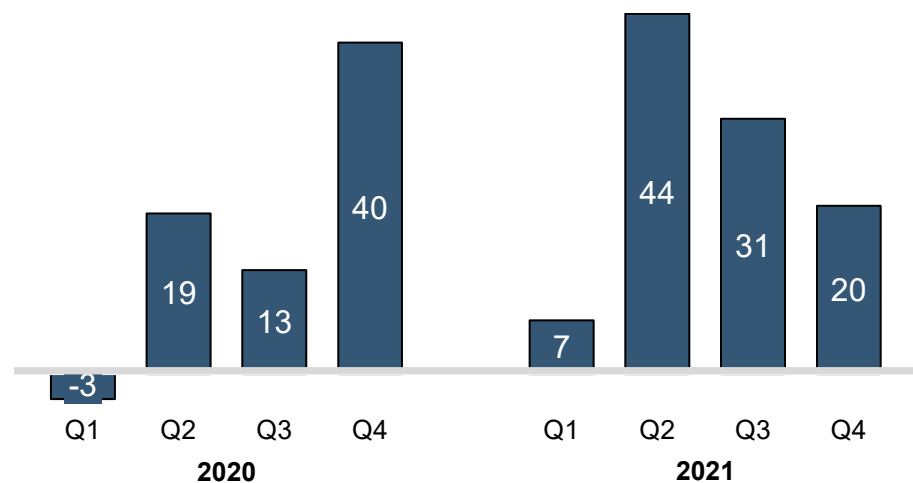
Comments

- YTD 21 Revenue: Medical markets increased by +16.1% vs. PY and Industrial markets increased by +15.7% vs. PY, both businesses benefit from the recovery of the markets from Covid-19 impact
- YTD Gross margin: +2.2%pts over PY driven by good volume, positive customer and product mix, higher utilization as well as ongoing productivity improvements
- YTD SG&A: as percentage of revenue at 12.5% well below 2020 and previous years driven by strict cost management and efficiency gains from different reorganisation and restructuring projects in 2019 and 2020
- YTD Management Adj. EBITDA margin at 40.3% or +1.8%pts above PY as result of good volume growth, solid product mix, productivity improvements and improved cost base

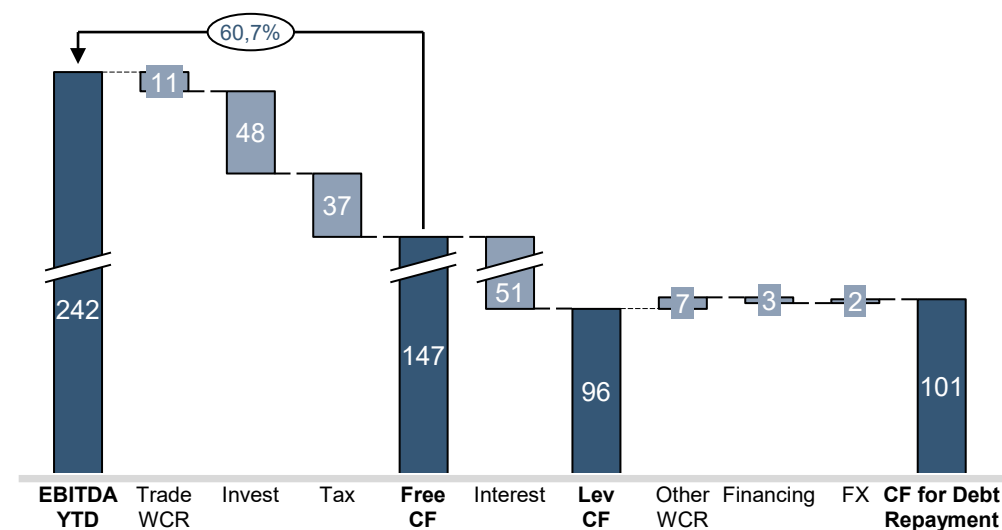
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YTD 61% Operational Cash Conversion

Quarterly Cash Flow for Debt Repayment (EURm)



YTD Cash Flow for Debt Repayment (EURm)

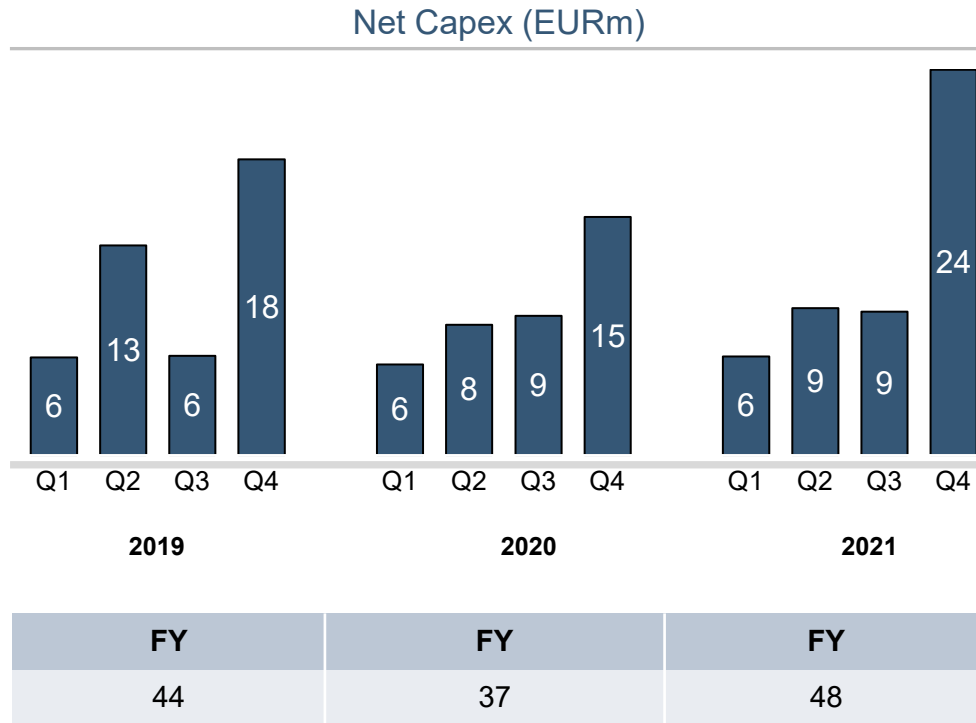


Reported Total CF to Cash Flow for Debt Repayment

In 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	20	101
+ 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				-5	-5
Total CF (as reported)	14	12	-54	208	180	-44	44	32	15	47

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Net Capex Development



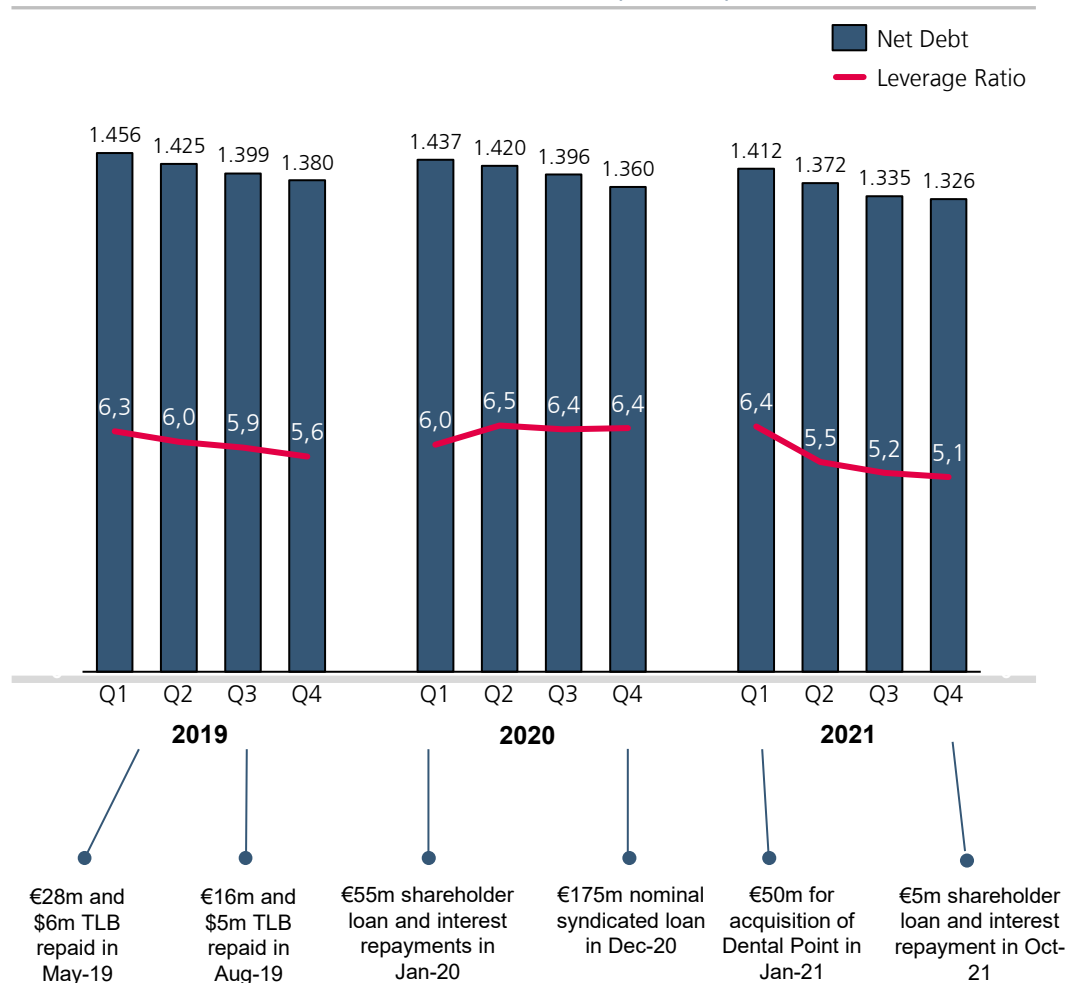
Comments

- 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 markets, necessary maintenance activities and selected Industrial projects, digitalization and ESG projects
- Accelerating Capex in Q4 2021 furthermore with a number of projects ensuring that strong increase in order intake can be managed and continued high customer demand be met

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Net Debt And Leverage Ratio

Net Financial Debt (EURm)



In EURm	Dec 30, 2020	Dec 30, 2021
Senior Debt	1.190,3	1.200,5
Bonds	406,0	406,0
Other	0,0	0,7
Revolver	0,0	0,0
Accrued Interests	8,1	10,8
Gross Debt	1.604,5	1.617,9
- Cash	-244,1	-291,4
Total Net Debt	1.360,3	1.326,5
LTM Adj. EBITDA	213,1	258,9
Leverage Ratio	6,4x	5,1x
Senior Net Debt Lev. Ratio	4,4x	3,5x
Net Senior Debt (SFA)	946,2	909,7
Cons. Pro Forma EBITDA (SFA)	219,0	267,1
Leverage ratio (SFA)	4,3x	3,4x

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