OUR FIRST QUARTER

INTERIM REPORT FIRST QUARTER

DECEMBER 2018 – FEBRUARY 2019

Q1

GERRESHEIMER

GROUP KEY FIGURES

Financial Year ended November 30	Q1 2019	Q1 2018	Change in %[8]
Results of Operations during Reporting Period in EUR m			
Revenues at constant exchange rates[1]	307.4	292.2	5.2
Revenues	308.5	290.4	6.3
Adjusted EBITDA at constant exchange rates[1, 2]	145.5	53.4	> 100.0
Adjusted EBITDA[2]	145.9	52.6	> 100.0
in % of revenues	47.3	18.1	–
Adjusted EBITA[3]	122.7	29.4	> 100.0
in % of revenues	39.8	10.1	–
Results of operations	109.0	17.3	> 100.0
Adjusted net income[4]	109.6	58.8	86.7
Net Assets as of Reporting Date in EUR m			
Total assets	2,689.3	2,388.5	12.6
Equity	993.8	823.9	20.6
Equity ratio in %	37.0	34.5	–
Net working capital	253.4	224.0	13.1
in % of revenues of the last twelve months	18.3	16.8	–
Capital expenditure	16.7	10.8	54.5
Net financial debt	939.1	726.9	29.2
Adjusted EBITDA leverage[5]	2.4	2.4	–
Financial and Liquidity Position during Reporting Period in EUR m			
Cash flow from operating activities	-16.7	-2.3	> 100.0
Cash flow from investing activities	-37.2	-10.7	> 100.0
thereof: Cash paid for capital expenditure	*-16.7*	*-10.8*	*54.5*
Free cash flow before financing activities	-53.9	-13.0	> 100.0
Employees			
Employees as of the reporting date	9,867	9,773	1.0
Stock Data			
Number of shares at reporting date in million	31.4	31.4	–
Share price[6] at reporting date in EUR	67.50	63.10	7.0
Market capitalization at reporting date in EUR m	2,119.5	1,981.3	7.0
Share price high[6] during reporting period in EUR	69.10	73.25	-5.7
Share price low[6] during reporting period in EUR	51.80	60.90	-14.9
Earnings per share in EUR	3.15	1.55	> 100.0
Adjusted earnings per share[7] in EUR	3.48	1.85	88.1

[1] Translated at budget rates 2019, which can be found in the outlook section of this Interim Group Management Report.
[2] Adjusted EBITDA: Net income before income taxes, net finance expense, amortization of fair value adjustments, depreciation and amortization, impairment losses, restructuring expenses, and one-off income and expenses.
[3] Adjusted EBITA: Net income before income taxes, net finance expense, amortization of fair value adjustments, impairment losses, restructuring expenses, and one-off income and expenses.
[4] Adjusted net income: Net income before non-cash amortization of fair value adjustments, non-recurring effects of restructuring expenses, portfolio adjustments, the balance of one-off income and expenses—including significant non-cash expenses—and related tax effects.
[5] Adjusted EBITDA leverage: The relation of net financial debt to adjusted EBITDA of the last twelve months according to the credit agreement currently in place.
[6] Xetra closing price.
[7] Adjusted earnings per share after non-controlling interests divided by 31.4m shares.
[8] Change calculated on a EUR k basis.

DIVISIONS

› Plastics & Devices

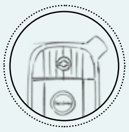
The product portfolio of the Plastics & Devices Division includes complex, customer-specific products for the simple and safe administration of medicines, such as insulin pens, inhalers and prefillable syringes. Also included are diagnostics and medical technology products such as lancets and test systems as well as pharmaceutical plastic containers for liquid and solid medicines with closure and safety systems.

in EUR m	**Q1 2019**	Q1 2018	Change in %[4]
Revenues at constant exchange rates[1, 2]	160.1	157.6	1.6
Revenues[1]	160.7	157.3	2.2
Adjusted EBITDA at constant exchange rates[2, 3]	33.9	38.2	-11.3
Adjusted EBITDA[3]	34.2	37.6	-9.2
in % of revenues	21.3	23.9	–
Capital expenditure	9.1	5.9	52.6

› Primary Packaging Glass

The Primary Packaging Glass Division produces glass primary packaging for medicines and cosmetics, such as pharma jars, ampoules, injection vials, cartridges, perfume flacons and cream jars.

in EUR m	**Q1 2019**	Q1 2018	Change in %[4]
Revenues at constant exchange rates[1, 2]	141.4	134.6	5.0
Revenues[1]	141.9	133.1	6.6
Adjusted EBITDA at constant exchange rates[2, 3]	25.1	20.5	22.1
Adjusted EBITDA[3]	25.2	20.3	23.9
in % of revenues	17.8	15.3	–
Capital expenditure	6.9	4.2	64.1



› Advanced Technologies (established as of June 30, 2018)

The Advanced Technologies Division develops and manufactures intelligent drug delivery systems. The Swiss tech company Sensile Medical forms the basis of this division, which offers pharmaceutical and biotech companies drug delivery systems with state-of-the-art digital and electronic capabilities. Its patented micro pumps can be used to self-administer medication for diabetes or Parkinson's disease, for example. Furthermore, smart inhalation measurement systems are developed in the Advanced Technologies Division.

in EUR m	**Q1 2019**	Q1 2018	Change in %[4]
Revenues at constant exchange rates[1, 2]	6.6	–	–
Revenues[1]	6.6	–	–
Adjusted EBITDA at constant exchange rates[2, 3]	1.0	–	–
Adjusted EBITDA[3]	1.0	–	–
in % of revenues	15.5	–	–
Capital expenditure	0.4	–	–

[1] Revenues by division include intercompany revenues.
[2] Translated at budget rates 2019, which can be found in the outlook section of this Interim Group Management Report.
[3] Adjusted EBITDA: Net income before income taxes, net finance expense, amortization of fair value adjustments, depreciation and amortization, impairment losses, restructuring expenses, and one-off income and expenses.
[4] Change calculated on a EUR k basis.

KEY FACTS FIRST QUARTER 2019

- Revenues up 6.3% on the prior-year quarter to EUR 308.5m (Q1 2018: EUR 290.4m). Excluding revenues in the prior-year quarter from the lost inhaler contract at our plant in Kuessnacht, revenue growth at constant exchange rates was likewise 6.3%
- Adjusted EBITDA in the first quarter of 2019 stood at EUR 145.9m (Q1 2018: 52.6m), including EUR 92.3m from partial derecognition of contingent purchase price components connected to the acquisition of Sensile Medical
- Leverage temporarily down to 2.4 times net financial debt to adjusted EBITDA
- Adjusted earnings per share increased to EUR 3.48, compared to EUR 1.85 in the prior-year quarter, primarily due to the derecognition of contingent purchase price components
- Substantial confirmation of the guidance for the financial year 2019 and of the preliminary indication regarding revenues and adjusted EBITDA for subsequent years. Due to the derecognition of contingent purchase price components connected to the acquisition of Sensile Medical in the amount of EUR 92.3m we have—as already communicated—revised our guidance on adjusted EBITDA to approximately EUR 387m (plus or minus EUR 5m)
- New plant for medical plastic systems and prefillable syringes to be built in Skopje, Republic of North Macedonia
- Enhancement of Advanced Technologies Division with start-up project on inhalation measurement

CONTENTS

GERRESHEIMER ON THE CAPITAL MARKETS

GERRESHEIMER SHARES

Persistent concerns over political and economic risks and a slowdown in the global economy continued to put international equity markets under pressure through the end of December 2018. Expectations that US monetary policy would respond more flexibly to economic developments contributed to a slight global recovery in share prices at the beginning of the new year. This also benefited the Gerresheimer share price.

Subsequently, following the publication of our Annual Report for the financial year 2018 on February 14, 2019, the Gerresheimer share price rose significantly to mark its high point for the first quarter of 2019 at EUR 69.10 on February 22, 2019.

With an increase of 7.3% in the first quarter of the financial year 2019 (the period December 1, 2018 to February 28, 2019), the Gerresheimer share price outperformed the MDAX—the benchmark index for Gerresheimer—by 3.3 percentage points and closed at EUR 67.50 on February 28, 2019.

As of March 6, 2019, the price of Gerresheimer shares had risen by 9.2% since December 1, 2018—a substantial 3.9 percentage points more than the MDAX gained in the same period.

PROPOSED DIVIDEND OF EUR 1.15 PER SHARE

The Management Board and the Supervisory Board will propose to the Annual General Meeting on June 6, 2019, to distribute a dividend of EUR 1.15 per share for the financial year 2018 (prior year: EUR 1.10 per share). This corresponds to a dividend payment of EUR 36.1m and an increase of 4.5% compared to the prior-year dividend payment. Furthermore, this would be the eighth consecutive dividend increase. The payout ratio of 20.3% is in line with our dividend policy of distributing between 20% and 30% of adjusted net income after non-controlling interests to shareholders, according to our operating performance.

ANALYSTS' RECOMMENDATIONS SUBSTANTIALLY POSITIVE AS BEFORE

As of February 28, 2019, 15 bank analysts regularly covered the performance of Gerresheimer AG and provided investment recommendations. Seven analysts gave a buy recommendation and five a hold recommendation. Three analysts recommended selling. As of February 28, 2019, the average price target was EUR 69.25.

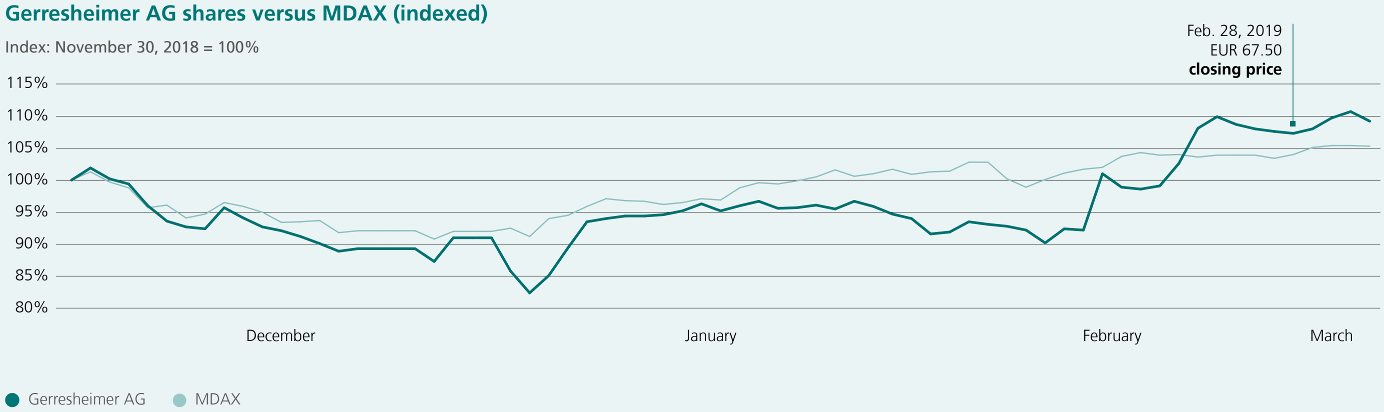
Gerresheimer Shares: Key Data

	Q1 2019	Q1 2018	FY 2018
Number of shares at reporting date in million	31.4	31.4	31.4
Share price[1)] at reporting date in EUR	67.50	63.10	62.90
Market capitalization at reporting date in EUR m	2,119.5	1,981.3	1,975.1
Share price high[1)] during reporting period in EUR	69.10	73.25	79.80
Share price low[1)] during reporting period in EUR	51.80	60.90	59.75
Earnings per share in EUR	3.15	1.55	4.11
Dividend per share in EUR	–	–	1.15[2)]

[1)] Xetra closing price.
[2)] Proposed appropriation of retained earnings.

Gerresheimer AG shares versus MDAX (indexed)

Index: November 30, 2018 = 100%



INTERIM GROUP MANAGEMENT REPORT DECEMBER 2018 – FEBRUARY 2019

DEVELOPMENT OF THE ECONOMIC ENVIRONMENT

In its January 2019 economic outlook, the International Monetary Fund (IMF)[1] lowered its forecast for global economic growth in 2019 by 0.2 percentage points relative to its October 2018 estimate, to 3.5%. Overall, risks to global growth are tilted to the downside. In this connection, the downward revision of growth assumptions for developed economies reflects the weaker performance of capital markets, notably in the second half of 2018, as well as political risks relating to the direction of fiscal policy in Italy and Brexit. Uncertainties due to trade disputes and concerns about China's growth outlook are leading to a slowdown in economic growth in emerging markets. Against this backdrop, the leading central banks' monetary policy remains geared to being able to take suitable action to offset any weaknesses in the real economy. The ECB, for example, has confirmed its accommodative monetary policy, with no increase in interest rates until at least summer 2019 and continuing reinvestment of returns on government bond holdings.

For the USA, the IMF expects growth of 2.5% for 2019. Thus, there was no revision to the October forecast. The unwinding of the fiscal stimulus from last year's tax reform is expected to be offset by sustained strong domestic demand.

For the eurozone, estimates for 2019 project a lower economic growth of around 1.6%—compared to growth of some 1.8% in 2018. Reasons why growth rates have been marked down include weaker industrial production in Germany, domestic conflicts in France, the fiscal policy debate in Italy and above all the political uncertainty at European level due to the Brexit negotiations.

According to the Federal Ministry for Economic Affairs and Energy (BMWi), the German economy has stabilized. Gross domestic product (GDP) remained at about the same level as in the preceding quarter, with the economy held back by adverse conditions in the external economic environment and special domestic effects. While the leading cyclical indicators remain modest, key domestic forces for growth continue to hold sway.[2] The IMF projects that German economic growth will slow to 1.3% in 2019, compared to 1.8% in 2018.

The IMF's growth rate forecast for emerging and developing markets in 2019 is 4.5%, which is slightly down on the prior-year figure of 4.7%. Specifically, the IMF expects 6.2% GDP growth for China (as in the prior year) and an increase of 7.5% for India (2018: 7.4%); in Brazil, GDP is projected to show growth of 2.5% (2018: 2.4%).

IQVIA projects average annual volume growth in the global pharma market of 2.2% for the years 2019 to 2023, compared to the 3.0% predicted for the years 2016 to 2021. The expectation for pharmerging markets[3] is for an average of 3.7% per year in the next five years. While zero growth is expected for the developed markets, average volume growth of 1.8% is projected for other markets. For the generics subsegment, IQVIA expects volume growth at an average of 2.9% for the next five years, with 4.9% anticipated for the pharmerging markets. IQVIA projects zero growth for the developed markets, while other markets are expected to grow by 1.7%.

CURRENCY EFFECTS

The Gerresheimer Group's strong international presence exposes our revenue performance and results of operations to external factors such as currency movements. This is why we also state revenues, revenue growth and adjusted EBITDA on a constant exchange rate basis in the management report. These are calculated on the basis of budgeted exchange rates for the financial year 2019. For the US dollar—which is expected to have the largest currency impact on our Group currency, accounting for just under 30% of revenues in 2019 or just under 40% of adjusted EBITDA—Gerresheimer has assumed an exchange rate of approximately 1.15 US dollars to the euro. As before, a rise or fall in the US dollar by about one cent against the euro has an impact of around EUR 4m on revenues and EUR 1m on adjusted EBITDA.

[1] International Monetary Fund: World Economic Outlook Update, January 2019.

[2] Federal Ministry for Economic Affairs and Energy: Monthly report, March 2019.
[3] For a definition of pharmerging markets (emerging markets), please see Note (4) of the Notes to the Interim Consolidated Financial Statements.

REVENUE PERFORMANCE

The Gerresheimer Group increased revenues at constant exchange rates by a substantial 5.2%, from EUR 292.2m in the prior-year quarter to EUR 307.4m in the first quarter of 2019. Excluding revenues of EUR 3.1m in the first quarter of 2018 from the lost inhaler contract with a customer at our plant in Kuessnacht (Switzerland), the growth rate at constant exchange rates was 6.3%. Mainly due to a shift in the US dollar, which appreciated significantly from an average of 1.21 US dollars to the euro in the first quarter of 2018 to an average of 1.14 US dollars to the euro in the reporting period, reported revenues increased over the same timespan by EUR 18.1m or 6.3% from EUR 290.4m to EUR 308.5m.

	at constant exchange rates			as reported		
in EUR m	**Q1 2019**	Q1 2018	Change in %[1]	**Q1 2019**	Q1 2018	Change in %[1]
Revenues						
Plastics & Devices	160.1	157.6	1.6	160.7	157.3	2.2
Primary Packaging Glass	141.4	134.6	5.0	141.9	133.1	6.6
Advanced Technologies	6.6	–	–	6.6	–	–
Subtotal	**308.1**	**292.2**	**5.4**	**309.2**	**290.4**	**6.5**
Intra-Group revenues	-0.7	–	< 100.0	-0.7	–	< 100.0
Total revenues	**307.4**	**292.2**	**5.2**	**308.5**	**290.4**	**6.3**

[1] Change calculated on a EUR k basis.

In the Plastics & Devices Division, revenues at constant exchange rates rose by 1.6% from EUR 157.6m in the prior-year quarter to EUR 160.1m in the first quarter of 2019. Syringe sales yielded positive results and were substantially higher than in the prior-year quarter. The Medical Plastic Systems business registered only marginal growth, largely due to the loss of a major inhaler contract at our plant in Kuessnacht (Switzerland). Excluding the revenues from the lost inhaler contract, which generated revenues at constant exchange rates of EUR 3.1m in the first quarter of 2018, the year-on-year increase for the whole division would have been 3.6%. As we expected, the performance of the engineering and tooling business was likewise positive in the first quarter of 2019. However, temporary intra-year fluctuations continue to be normal here, and essentially track the billing of larger-scale customer projects. The Plastic Packaging Business Unit saw growth pick up significantly in Brazil. Demand for plastic vials for prescription drugs in the US developed in the opposite direction due to the absence of a demand peak of the kind seen in the previous year as a result of the flu season in the first quarter. All in all, we expect to compensate this decrease in the following three quarters. Reported revenues went up by EUR 3.4m or 2.2% from EUR 157.3m to EUR 160.7m in the first quarter of 2019.

Revenues at constant exchange rates in the Primary Packaging Glass Division increased by EUR 6.8m or 5.0% from EUR 134.6m in the first quarter of 2018 to EUR 141.4m in the first quarter of 2019. Within this, the Moulded Glass Business Unit delivered very positive growth rates, driven by higher demand from pharma and cosmetics customers alike. In the Tubular Glass Business Unit, revenues in all regions improved significantly year on year, with North America and Europe in particular showing similar high growth rates. Reported revenues increased by 6.6% in the Primary Packaging Glass Division, from EUR 133.1m in the first quarter of 2018 to EUR 141.9m in the reporting period.

Revenues at constant exchange rates in the Advanced Technologies Division amounted to EUR 6.6m in the first quarter of 2019 and related almost exclusively to development services at Sensile Medical, which was acquired in July 2018.

RESULTS OF OPERATIONS

At constant exchange rates, adjusted EBITDA increased significantly from EUR 53.4m in the prior-year quarter to EUR 145.5m in the first quarter of 2019. Two one-off effects compared to the prior-year quarter have to be taken into account here. Firstly, as has already been communicated, there is other operating income of EUR 92.3m in the period under review due to the derecognition of contingent purchase price components from the acquisition of Sensile Medical. Secondly, there was no adjusted EBITDA in the first quarter of 2019 from the lost inhaler contract with a customer at our plant in Kuessnacht (Switzerland; Q1 2018: EUR 1.1m). Without these two one-off effects, adjusted EBITDA at constant exchange rates would have been EUR 0.9m higher than in the prior-year quarter, at EUR 53.2m in the first quarter of 2019. Reported adjusted EBITDA came to EUR 145.9m, compared to EUR 52.6m in the first quarter of 2018. The adjusted EBITDA margin was 47.3%, which is significantly above the 18.1% recorded in the prior-year quarter.

	at constant exchange rates			as reported				
							Margin in %	
in EUR m	**Q1 2019**	Q1 2018	Change in %[1]	**Q1 2019**	Q1 2018	Change in %[1]	**Q1 2019**	Q1 2018
Adjusted EBITDA								
Plastics & Devices	33.9	38.2	-11.3	34.2	37.6	-9.2	21.3	23.9
Primary Packaging Glass	25.1	20.5	22.1	25.2	20.3	23.9	17.8	15.3
Advanced Technologies	1.0	–	–	1.0	–	–	15.5	–
Subtotal	**60.0**	**58.7**	**2.1**	**60.4**	**57.9**	**4.2**	**–**	**–**
Head office/consolidation	85.5	-5.3	–	85.5	-5.3	–	–	–
Total adjusted EBITDA	**145.5**	**53.4**	**> 100.0**	**145.9**	**52.6**	**> 100.0**	**47.3**	**18.1**

[1] Change calculated on a EUR k basis.

In the Plastics & Devices Division, we generated adjusted EBITDA at constant exchange rates of EUR 33.9m in the first quarter of 2019, compared to EUR 38.2m in the same quarter of the prior year. In the same quarter of the prior year, we generated an adjusted EBITDA at constant exchange rates of EUR 1.1m from the lost inhaler contract with a customer at our plant in Kuessnacht (Switzerland). The decrease in adjusted EBITDA is mainly due to a different distribution of revenues from high-margin plastic vials for prescription medicines in the US in the first quarter of 2019. In this context, demand for plastic vials for prescription medicines in the US was mainly influenced by a higher demand due to the flu season in the first quarter, which led to a temporarily higher result in the first quarter of 2018. We expect this effect to reverse in the course of the financial year 2019. Aside from this, the higher revenues in the low-margin engineering and tooling business had only a minor impact on adjusted EBITDA. In addition, we incurred—as already communicated—slightly higher expenses due to the rapid build-up of capacity for our new inhaler project in Horsovsky Tyn (Czech Republic), from which we aim to deliver the first products to the customer as soon as the fourth quarter of 2020. Unadjusted for exchange rates, adjusted EBITDA in the Plastics & Devices Division went down from EUR 37.6m in the first quarter of 2018 to EUR 34.2m in the reporting period. The adjusted EBITDA margin was therefore—as expected—21.3%, below the 23.9% recorded in the prior-year quarter. Excluding the effect of the lost inhaler contract with a customer at our plant in Kuessnacht (Switzerland), amounting to EUR 1.1m in the first quarter of 2018, the year-on-year decrease in adjusted EBITDA in the Plastics & Devices Division would have been only 6.4%.

Adjusted EBITDA at constant exchange rates in the Primary Packaging Glass Division increased significantly from EUR 20.5m in the prior-year quarter to EUR 25.1m in the first quarter of 2019. Higher utilization of installed capacity, the increase in demand and the improved product quality notably contributed here to an improvement in adjusted EBITDA relative to the prior-year quarter, especially in the North American region. Unadjusted for exchange rate effects, adjusted EBITDA in the Primary Packaging Glass Division went up from EUR 20.3m to EUR 25.2m in the first quarter of 2019. The adjusted EBITDA margin was consequently a very good 17.8%, compared to 15.3% in the first quarter of 2018.

Adjusted EBITDA at constant exchange rates in our Advanced Technologies Division came to EUR 1.0m, and is therefore in line with our expectations.

With a positive adjusted EBITDA of EUR 85.5m, the head office and consolidation item is substantially higher than the negative EUR 5.3m recorded in the prior-year quarter. It should be noted that—as already communicated—this includes other operating income of EUR 92.3m in the first quarter of 2019. This income was attributable to the derecognition of contingent purchase price components from the acquisition of Sensile Medical due to the termination of a project to develop a micro pump for the treatment of heart diseases by a customer. Excluding this other operating income, the head office and consolidation item has increased mainly due to higher personnel expenses to a larger negative figure than in the prior-year quarter.

The following table shows the reconciliation of adjusted EBITDA to net income for the period:

in EUR m	Q1 2019	Q1 2018	Change
Adjusted EBITDA	**145.9**	**52.6**	**93.3**
Depreciation	-23.2	-23.2	–
Adjusted EBITA	**122.7**	**29.4**	**93.3**
Portfolio optimization	0.7	-0.1	0.8
One-off income and expenses[1]	-0.6	-4.3	3.7
Total of one-off items	**0.1**	**-4.4**	**4.5**
Amortization of fair value adjustments[2]	-13.8	-7.7	-6.1
Results of operations	**109.0**	**17.3**	**91.7**
Net finance expense	-7.0	-9.4	2.4
Income taxes	-2.7	41.3	-44.0
Net income	**99.3**	**49.2**	**50.1**

[1] The one-off income/expenses item consists of one-off items that cannot be taken as an indicator of ongoing business. These include, for example, various reorganization and structure changes that are not reportable as restructuring expenses in accordance with IFRS.
[2] Amortization of fair value adjustments relates to the intangible assets identified at fair value in connection with the acquisitions of Gerresheimer Regensburg in January 2007; the pharma glass business of Comar Inc., USA, in March 2007; Gerresheimer Zaragoza in January 2008; Vedat in March 2011; Neutral Glass in April 2012; Triveni in December 2012; Centor in September 2015; and Sensile Medical in July 2018.

Adjusted EBITA is EUR 122.7m in the first quarter of 2019 (Q1 2018: EUR 29.4m) based on adjusted EBITDA of EUR 145.9m in the first quarter of 2019 (Q1 2018: EUR 52.6m) less depreciation of EUR 23.2m (Q1 2018: EUR 23.2m). This is reconciled to the EUR 109.0m results of operations for the first quarter of 2019—compared to EUR 17.3m in the prior-year period—by deducting one-off items in the reporting period in a total amount of EUR 0.1m (Q1 2018: minus EUR 4.4m) and amortization of fair value adjustments in the amount of EUR 13.8m (Q1 2018: EUR 7.7m).

Portfolio optimization amounts to EUR 0.7m in the first quarter of 2019, compared to a negative EUR 0.1m in the prior-year quarter. The positive item in the period under review mainly relates to the sale of a piece of land of our entity in Kuessnacht (Switzerland). On the other hand, we also incurred additional expenses connected to the closure of our plant in Kuessnacht and the reorganization of the Primary Packaging Glass Division announced in the Annual Report 2018.

One-off income and expenses of minus EUR 0.6m in the first quarter of 2019 (Q1 2018: minus EUR 4.3m) were largely attributable to changes in the Management Board of Gerresheimer AG.

Amortization of fair value adjustments rose by EUR 6.1m from EUR 7.7m in the first quarter of 2018 to EUR 13.8m in the first quarter of 2019. The increase is attributed to the acquisition of Sensile Medical in July 2018.

Net finance expense, at EUR 7.0m in the first quarter of 2019, was EUR 2.4m lower than the EUR 9.4m recorded in the prior-year quarter. Interest income in the amount of EUR 0.6m (Q1 2018: EUR 0.6m) was offset by interest expenses of EUR 6.4m (Q1 2018: EUR 8.6m). The decrease in interest expenses is largely due to the refinancing carried out in September 2017 by means of EUR 250.0m promissory loans and the EUR 300.0m bond redeemed in May 2018. Other financial expenses came to EUR 1.2m, slightly less than the EUR 1.4m in the prior-year quarter.

The income taxes item for the first quarter of 2019 showed a tax expense of EUR 2.7m, compared to tax income of EUR 41.3m in the prior-year quarter. It should be noted here that the EUR 92.3m other operating income in the first quarter of 2019 due to the derecognition of contingent purchase price components from the acquisition of Sensile Medical is not taxable. The tax income in the prior-year quarter primarily related to the remeasurement of deferred taxes of our US subsidiaries included in the consolidated financial statements due to the US tax reform signed on December 22, 2017 (an amount of EUR 43.6m). Excluding these two factors, the tax rate would be 27.9% as of February 28, 2019, compared to 28.7% as of the prior-year reporting date.

The Gerresheimer Group generated net income of EUR 99.3m in the period December 1, 2018 to February 28, 2019. This is a substantial EUR 50.1m higher than the figure of EUR 49.2m recorded in the prior-year quarter, primarily as a result of the positive effect from the derecognition of contingent purchase price components from the acquisition of Sensile Medical in the amount of EUR 92.3m.

in EUR m	Q1 2019	Q1 2018	Change
Net income	**99.3**	**49.2**	**50.1**
Portfolio optimization	0.7	-0.1	0.8
Related tax effect	0.2	–	0.2
One-off income and expenses	-0.6	-4.3	3.7
Related tax effect	0.2	1.2	-1.0
Amortization of fair value adjustments	-13.8	-7.7	-6.1
Related tax effect	3.0	1.9	1.1
One-off effects in the net finance expense	–	-0.8	0.8
Related tax effect	–	0.2	-0.2
Adjusted net income	**109.6**	**58.8**	**50.8**
Attributable to non-controlling interests	**0.4**	**0.6**	**-0.2**
Amortization of fair value adjustments	–	-0.1	0.1
Related tax effect	–	–	–
Adjusted net income attributable to non-controlling interests	**0.4**	**0.7**	**-0.3**
Adjusted net income after non-controlling interests	**109.2**	**58.1**	**51.1**
Adjusted earnings per share in EUR after non-controlling interests	3.48	1.85	1.63

Adjusted net income (defined as net income before non-cash amortization of fair value adjustments, non-recurring effects of restructuring expenses, portfolio adjustments, the balance of one-off income and expenses—including significant non-cash expenses—and related tax effects) was EUR 109.6m in the first quarter of 2019, compared to EUR 58.8m in the prior-year quarter. Adjusted net income after non-controlling interests was EUR 109.2m (Q1 2018: EUR 58.1m) and thus increased by EUR 51.1m. Accordingly, adjusted earnings per share after non-controlling interests came to EUR 3.48 in the first quarter of 2019 (Q1 2018: EUR 1.85).

NET ASSETS

BALANCE SHEET

The Gerresheimer Group's net assets changed as follows in the first quarter of 2019:

Assets in EUR m	**Feb. 28, 2019**	Nov. 30, 2018	Change in %[1]
Intangible assets, property, plant and equipment and investment property	2,108.0	2,131.0	-1.1
Investment accounted for using the equity method	0.3	0.3	–
Other non-current assets	31.9	27.8	14.9
Non-current assets	**2,140.2**	**2,159.1**	**-0.9**
Inventories	190.0	171.5	10.8
Trade receivables	227.2	273.5	-16.9
Other current assets	131.9	126.8	4.0
Current assets	**549.1**	**571.8**	**-4.0**
Total assets	**2,689.3**	**2,730.9**	**-1.5**

Equity and Liabilities in EUR m	**Feb. 28, 2019**	Nov. 30, 2018	Change in %[1]
Equity and non-controlling interests	**993.8**	**890.1**	**11.6**
Non-current provisions	149.6	152.5	-1.9
Financial liabilities	677.7	751.4	-9.8
Other non-current liabilities	165.9	168.5	-1.6
Non-current liabilities	**993.2**	**1,072.4**	**-7.4**
Financial liabilities	404.6	389.7	3.8
Trade payables	163.4	207.3	-21.2
Other current provisions and liabilities	134.3	171.4	-21.7
Current liabilities	**702.3**	**768.4**	**-8.6**
Total equity and liabilities	**2,689.3**	**2,730.9**	**-1.5**

[1] Change calculated on a EUR k basis.

Total assets in the Gerresheimer Group decreased by EUR 41.6m relative to November 30, 2018 to EUR 2,689.3m as of February 28, 2019. There were no significant changes in balance sheet structure.

At EUR 2,140.2m, non-current assets were EUR 18.9m down on November 30, 2018. This mainly reflects the decrease in intangible assets and property, plant and equipment. Intangible assets went down by EUR 17.7m relative to the figure as of November 30, 2018. This related to a EUR 1.7m decrease in goodwill due to exchange rate changes, a EUR 9.7m reduction in customer relationships, comprising EUR 7.5m relating to amortization of fair value adjustments and EUR 2.2m attributable to exchange rate changes, and a reduction in technologies by EUR 6.2m that related in its entirety to amortization of fair value adjustments. As of February 28, 2019, we reported goodwill of EUR 668.9m in our consolidated balance sheet as well as customer relationships, trademarks, technologies and similar assets of EUR 773.2m. Property, plant and equipment fell by EUR 5.4m, with depreciation exceeding capital expenditure. Non-current assets accounted for 79.6% of total assets as of February 28, 2019 and 79.1% as of November 30, 2018.

The Gerresheimer Group's equity, including non-controlling interests, increased substantially from EUR 890.1m as of November 30, 2018 to EUR 993.8m as of February 28, 2019. This increase reflects mainly the positive net income of EUR 99.3m in the reporting period. The equity ratio went up from 32.6% as of November 30, 2018 to 37.0% as of February 28, 2019.

Non-current liabilities were EUR 993.2m at the end of February 2019, marking a substantial EUR 79.2m decrease on the figure of EUR 1,072.4m at the end of November 2018. The main factor here was the decrease in financial liabilities due to the derecognition of non-current contingent purchase price components connected to the acquisition of Sensile Medical.

Current liabilities went down by EUR 66.1m to EUR 702.3m. This mainly reflects the fixed purchase price component paid in December 2018 and the derecognition of a current contingent purchase price component connected to the acquisition of Sensile Medical. In addition, the transition to IFRS 15 (Revenue from Contracts with Customers)—a financial reporting standard which we are required to apply for the first time—resulted in a change in the presentation of prepayments received. These are now mostly presented under trade receivables and trade payables. For a more detailed description of the transition effect, please see Note (1) of the Notes to the Interim Consolidated Financial Statements. In the opposite direction, there was an increase in current liabilities due to higher drawings on the revolving credit facility.

NET WORKING CAPITAL

The Gerresheimer Group's net working capital stood at EUR 253.4m as of February 28, 2019, a rise of EUR 50.7m compared to November 30, 2018.

in EUR m	**Feb. 28, 2019**	Nov. 30, 2018	Feb. 28, 2018
Inventories	190.0	171.5	168.0
Trade receivables	227.2	273.5	221.3
Trade payables[1]	163.8	207.4	130.6
Prepayments received	–	34.9	34.7
Net working capital	**253.4**	**202.7**	**224.0**

[1] Including EUR 0.4m (November 30, 2018: EUR 0.1m) in non-current trade payables.

Our first quarter is typically characterized by an increase in inventories and a decrease in trade receivables. The fourth quarter of 2018 saw strong revenues and a significant fall in inventories. At the beginning of a new financial year, however, customer demand tends to be more subdued, partly due to holiday shutdowns around Christmas and New Year, resulting in lower trade receivables in the first quarter. At the same time, we are building up inventories during the first quarter to ensure delivery capacity in the quarters to follow. Trade payables went down mainly because of settlement of amounts due. The transition to IFRS 15 (Revenue from Contracts with Customers), which we are required to apply for the first time, means that prepayments received, which have previously been presented in a separate line item, are now presented under trade receivables and trade payables. This change only affects individual components of net working capital and not net working capital as a whole. For a more detailed description of the transition effect, please see Note (1) of the Notes to the Interim Consolidated Financial Statements. At constant exchange rates, the increase in net working capital in the first quarter of 2019 came to EUR 49.4m, compared to EUR 39.5m in the first quarter of 2018.

As a percentage of revenues in the last twelve months, average net working capital increased from 16.7% in the prior-year quarter to 17.8% in the first quarter of 2019.

FINANCIAL LIABILITIES AND CREDIT FACILITIES

The Gerresheimer Group's net financial debt developed as follows:

in EUR m	Feb. 28, 2019	Nov. 30, 2018	Feb. 28, 2018
Financial debt			
Syndicated facilities			
Revolving credit facility[1]	318.5	264.4	–
Total syndicated facilities	**318.5**	**264.4**	**–**
Senior notes – euro bond	–	–	300.0
Promissory loans – November 2015	425.0	425.0	425.0
Promissory loans – September 2017	250.0	250.0	250.0
Local borrowings incl. bank overdrafts[1]	23.0	19.9	19.6
Finance lease liabilities	7.5	7.7	7.8
Total financial debt	**1,024.0**	**967.0**	**1,002.4**
Cash and cash equivalents	84.9	80.6	275.5
Net financial debt	**939.1**	**886.4**	**726.9**

[1] For the translation of US dollar loans to EUR, the following exchange rates were used: at February 28, 2019: EUR 1.00/USD 1.1416; at November 30, 2018: EUR 1.00/USD 1.1359; at February 28, 2018: EUR 1.00/USD 1.2214.

Net financial debt increased by EUR 52.7m to EUR 939.1m as of February 28, 2019 (November 30, 2018: EUR 886.4m). The increase in net financial debt as of February 28, 2019 is mostly attributable to higher drawings on the revolving credit facility and, in the opposite direction, a slight increase in cash and cash equivalents relative to November 30, 2018. Calculated as the ratio of net financial debt to adjusted EBITDA over the last twelve months, adjusted EBITDA leverage, pursuant to the credit line agreement in force, stood at 2.4x, which is again below the medium-term target of 2.5x. The marked decrease compared to November 30, 2018 is attributable to the significantly higher adjusted EBITDA, which was notably affected in the first quarter of 2019 by EUR 92.3m in other operating income from the derecognition of contingent purchase price components. This effect will have a positive impact on adjusted EBITDA leverage up to and including the first quarter of 2020.

The revolving credit facility (with a facility amount of EUR 450.0m) was drawn by EUR 318.5m as of February 28, 2019 (November 30, 2018: EUR 264.4m). Consequently, EUR 131.5m was available to us under the revolving credit facility as of February 28, 2019 for capital expenditure, acquisitions and other operational requirements.

CAPITAL EXPENDITURE

Gerresheimer incurred capital expenditure on property, plant and equipment and intangible assets as follows in the first quarter of 2019:

in EUR m	Q1 2019	Q1 2018	Change in %[1]
Plastics & Devices	9.1	5.9	52.6
Primary Packaging Glass	6.9	4.2	64.1
Advanced Technologies	0.4	–	–
Head office	0.3	0.7	-52.0
Total capital expenditure	**16.7**	**10.8**	**54.5**

[1] Change calculated on a EUR k basis.

We continue to invest heavily in the strong growth prospects of our business as well as in our quality and productivity initiatives. Capital expenditure totaled EUR 16.7m in the first quarter of 2019 (Q1 2018: EUR 10.8m). This was mostly accounted for by the Plastics & Devices Division, where capital expenditure was chiefly focused on expansion of our inhaler production in the Czech Republic. A further focus was on expanding the product portfolio and creating additional production capacity. Capital expenditure in the Primary Packaging Glass Division mainly related to prepayments made for a furnace repair in Germany, scheduled for the third quarter of 2019, as well as to production plant modernization and automation. As in prior years, we also invested in molds and tools.

OPERATING CASH FLOW

in EUR m	Q1 2019	Q1 2018
Adjusted EBITDA	**145.9**	**52.6**
Change in net working capital	-49.4	-39.5
Capital expenditure	-16.7	-10.8
Operating cash flow	**79.8**	**2.3**
Net interest paid	-2.7	-0.4
Net taxes paid	-8.2	-5.0
Pension benefits paid	-2.6	-2.9
Other	-95.4	-7.0
Free cash flow before acquisitions/divestments	**-29.1**	**-13.0**
Acquisitions/divestments	-24.8	–
Financing activity	55.4	0.8
Changes in financial resources	**1.5**	**-12.2**

We generated operating cash flow of EUR 79.8m in the first quarter of 2019. It should be noted here, however, that this is mainly related to the EUR 92.3m in other operating income from the derecognition of contingent purchase price components. As this income is a non-cash item, the contrary correction is shown in the position "Other". The lower free cash flow before acquisitions/divestments is mainly due to a temporary increase in capital commitment resulting from net working capital and increased capital expenditure.

CASH FLOW STATEMENT

in EUR m	Q1 2019	Q1 2018
Cash flow from operating activities	-16.7	-2.3
Cash flow from investing activities	-37.2	-10.7
Cash flow from financing activities	55.4	0.8
Changes in financial resources	**1.5**	**-12.2**
Effect of exchange rate changes on financial resources	0.2	-1.4
Financial resources at the beginning of the period	61.9	271.6
Financial resources at the end of the period	63.6	258.0

Cash flow from operating activities is EUR -16.7m in the first quarter of 2019 (Q1 2018: EUR -2.3m). The main reasons for the decrease are the temporarily higher capital commitment resulting from net working capital and significantly lower income tax refunds.

At EUR 37.2m, the net cash outflow from investing activities was EUR 26.5m higher than in the prior-year quarter (Q1 2018: EUR 10.7m). The cash outflow in both reported quarters includes purchases of property, plant and equipment and intangible assets. Proceeds from asset disposals totaled EUR 4.4m in the first quarter of 2019 and primarily related to the sale of a piece of land in Kuessnacht (Switzerland). There was also a further payment of the fixed purchase price component from the acquisition of Sensile Medical, in the amount of EUR 24.8m after net working capital and net debt adjustments.

The cash inflow from financing activities came to EUR 55.4m in the first quarter of 2019, compared to EUR 0.8m in the first quarter of 2018. Cash and cash equivalents consequently stood at EUR 63.6m, compared to EUR 258.0m at the end of the first quarter of 2018.

EMPLOYEES

The Gerresheimer Group employed 9,867 people as of February 28, 2019 (November 30, 2018: 9,890).

	Feb. 28, 2019	Nov. 30, 2018
Emerging markets	3,398	3,361
Germany	3,510	3,519
Europe	1,856	1,882
Americas	1,103	1,128
Total	**9,867**	**9,890**

As of the reporting date, 36% of the workforce were employed in Germany, 34% in emerging markets, 19% in Europe and 11% in the Americas.

REPORT ON OPPORTUNITIES AND RISKS

In the financial year 2019, Gerresheimer continues to focus on growth in pharmaceutical primary packaging and drug delivery devices. Global economic trends, exchange rate factors, rising commodity and energy prices as well as uncertainties about the future development of national healthcare systems and customer demand represent risks that may affect the course of business in the long term. We are conscious of these risks and carefully monitor their impact on our business.

No risks have currently been identified that raise doubt about the ability of the Gerresheimer Group to continue as a going concern. There has been no material change to the information provided in the Report on Opportunities and Risks section of our Annual Report 2018.

OUTLOOK

The following statements on the future business performance of the Gerresheimer Group, and the assumptions about the economic development of the market and industry deemed significant for this purpose, are based on our assessments, which we consider realistic at the present time based on the information we have available. Those assessments are subject to uncertainty, however, and entail the unavoidable risk that actual performance may vary in direction or magnitude from the projected performance.

DEVELOPMENT OF THE ECONOMIC ENVIRONMENT

Global and regional economic development

The assessment of the economic conditions has not materially changed compared to the disclosures in our Annual Report. Therefore, we refer to the Outlook section in our Annual Report 2018.

MARKET AND BUSINESS OPPORTUNITIES FOR THE GERRESHEIMER GROUP

Prospects for the financial year 2019

Assessment of the prospects for the financial year 2019 has not fundamentally changed compared to the information provided in our Annual Report. Therefore, we refer to the Outlook section in our Annual Report 2018.

Overall Group

The Gerresheimer Group pursues a successful, clear-cut strategy geared to sustained and profitable growth. Our expectations for the financial year 2019, in each case assuming constant exchange rates and excluding acquisitions and divestments, are set out in the following. In the table below, we list our exchange rate assumptions for our key currencies as applied in all forecasts provided. All forecasts are stated on a neutral basis in relation to these currencies and excluding acquisitions and divestments.

1 EUR	Currency	
Argentina	ARS	43.0000
Brazil	BRL	4.3500
Switzerland	CHF	1.1400
China	CNY	7.9500
Czech Republic	CZK	25.5000
India	INR	85.0000
Mexico	MXN	21.8500
Poland	PLN	4.2500
United States of America	USD	1.1500

The most important currency after the euro continues to be the US dollar with a share of just under 30% of revenues and just below 40% of adjusted EBITDA in 2019. As before, a rise or fall in the US dollar by about one cent against the euro has an impact of around EUR 4m on revenues and EUR 1m on adjusted EBITDA.

Outlook for the financial year 2019

Based on our current visibility, we expect consolidated revenues for the financial year 2019 to be in a range of around EUR 1.4bn to EUR 1.45bn, against a comparative figure of EUR 1,359.7m for the financial year 2018.[4] Attainment of the upper end of our revenue forecast will also decisively depend on the performance of our new Advanced Technologies Division. For adjusted EBITDA, we now expect approximately EUR 387m (plus or minus EUR 5m), versus a comparative figure for adjusted EBITDA of EUR 289.1m[5] in the financial year 2018. The revision of the previously expected EUR 295m (plus or minus EUR 5m) is due to the other operating income of EUR 92.3m from the derecognition of contingent purchase price components from the acquisition of Sensile Medical, which were already recognized in the first quarter of 2019. Furthermore, we only expect low adjusted EBITDA contributions from our new Advanced Technologies Division, which is mainly due to low margins on development orders. In the financial year 2019, the Plastics & Devices Division will—due to significantly higher revenues in the low-margin engineering and tooling business, newly awarded large orders and increased expenditure for relocation, employee training and production start-up/ramp-up—contribute to a temporary decrease in the Group's adjusted EBITDA margin.

[4] Based on the EUR 1,367.7m revenues for the financial year 2018 less revenues of approximately EUR 8m for the loss of the inhaler customer at our plant in Kuessnacht (Switzerland).

[5] Based on adjusted EBITDA for the financial year 2018 in the amount of EUR 298.6m, plus EUR 1.1m for the expense relating to the final fair value measurement of the Triveni put option, plus EUR 1.4m for the expense relating to the exemption from electricity network charges, less a total of approximately EUR 12m for the adjusted EBITDA from the revenues and non-recurring compensation payments relating to the loss of the inhaler customer at our plant in Kuessnacht (Switzerland).

Preliminary indication for subsequent years regarding revenues and adjusted EBITDA

In terms of base-level organic growth, we expect for the financial years 2019 and 2020 to initially grow with the market for products relevant to us. This growth is to be increased by an additional percentage point by means of further improvements in the product mix, to be achieved through a shift toward high-quality products such as syringes for biotech-based new drugs, innovative new developments such as Gx® Elite Glass, as well as glass cosmetics packaging finishing. The new Advanced Technologies Division—and within it, the Sensile Medical Business Unit—will also further add to revenues in 2020 to 2022. On the basis of revenues for the financial year 2019, we expect to be aiming for total average growth of between 4% and 7% p.a. at Group level by the end of 2022.

We secured a large inhaler contract for Europe from a major international pharma producer in 2018. The order was based on our good performance in production, at our plant in Peachtree City, Georgia (USA), of the same inhaler sold by this customer on the North American market. Following tooling revenues in 2019 and 2020, we expect to begin supplying the inhaler under the European contract from the fourth quarter of 2020. At full production—at the earliest from the financial year 2023—we anticipate revenues from the contract in a magnitude of up to EUR 30m a year. To fulfill the order, we are going to invest in our Horsovsky Tyn plant in the Czech Republic during the financial years 2019 and 2020.

Furthermore, we have succeeded for the first time in becoming the main supplier to one of the largest heparin producers and are to supply this customer with prefillable syringes under a multi-year contract. This is an outcome of systematically pursuing our syringes strategy and the resulting good performance together with our good cost position in the syringe business. We expect initial revenues from this contract in the financial year 2019 and, at full production in 2021, that they will reach up to EUR 20m a year. To generate growth in medical devices and syringes generally, we will build a new plant in the Republic of North Macedonia. At the same time, we will continue to accelerate automation across all plants.

We expect that the financial year 2020 will see the adjusted EBITDA margin in the Plastics & Devices Division reduced as a consequence of the above-mentioned higher revenues in the low-margin engineering and tooling business, the large orders awarded and the increased expenditure for relocation, employee training and production start-up/ramp-up, as a result of which the consolidated adjusted EBITDA margin is expected to be around 21%. In consequence of the measures described above and of the large projects, the adjusted EBITDA margin for the Gerresheimer Group is then expected to increase in the financial years 2021 and 2022 by about two percentage points relative to the financial years 2019 and 2020, to approximately 23%.

The growth in the financial years 2021 and 2022 requires additional capital expenditure for immediate capacity expansion which, on our indicative estimates, will raise capital expenditure as a percentage of revenues at constant exchange rates by up to four percentage points in the financial years 2019 and 2020. Group capital expenditure will thus come to approximately 12%. This temporarily increased capital expenditure already includes all expenditure required for the plant to be built in the Republic of North Macedonia and for automation across all plants in the Group. From the financial year 2021, we then anticipate that capital expenditure will return to its normal level of approximately 8% of consolidated revenues at constant exchange rates.

Our long-term target for the entire Group remains as follows:

› Gx ROCE of approximately 15%.
› Net working capital should attain about 16% of revenues.
› We continue to consider a net financial debt to adjusted EBITDA ratio of about 2.5x to be right, with temporary variation above or below this permitted because M&A activity cannot be planned in exact detail.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 2018 – FEBRUARY 2019

CONSOLIDATED INCOME STATEMENT

for the Period from December 1, 2018 to February 28, 2019

in EUR k	Notes	Q1 2019	Q1 2018
Revenues	(4)	308,540	290,366
Cost of sales		-225,580	-209,250
Gross profit		**82,960**	**81,116**
Selling and administrative expenses		-67,378	-62,070
Other operating income	(5)	98,319	4,940
Restructuring expenses		62	-63
Other operating expenses	(6)	-4,944	-6,612
Results of operations		**109,019**	**17,311**
Interest income		637	551
Interest expense		-6,389	-8,598
Other financial expenses		-1,236	-1,359
Net finance expense		**-6,988**	**-9,406**
Net income before income taxes		102,031	7,905
Income taxes	(7)	-2,703	41,307
Net income		**99,328**	**49,212**
Attributable to equity holders of the parent		98,932	48,658
Attributable to non-controlling interests		396	554
Diluted and non-diluted earnings per share (in EUR)		**3.15**	**1.55**

Notes (1) to (17) are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the Period from December 1, 2018 to February 28, 2019

in EUR k	Q1 2019	Q1 2018
Net income	**99,328**	**49,212**
Income taxes from the revaluation of defined benefit plans	–	-57[1]
Other comprehensive income that will not be reclassified subsequently to profit or loss	**–**	**-57**
Changes in the fair value of available for sale financial assets	–	-1
Other comprehensive income from financial instruments	**–**	**-1**
Currency translation	1,253	-14,760
Other comprehensive income from currency translation	**1,253**	**-14,760**
Other comprehensive income that will be reclassified to profit or loss when specific conditions are met	**1,253**	**-14,761**
Other comprehensive income	**1,253**	**-14,818**
Total comprehensive income	**100,581**	**34,394**
Attributable to equity holders of the parent	99,733	34,148
Attributable to non-controlling interests	848	246

[1] Effect of the revaluation of deferred tax assets on provisions for pensions and similar obligations under the US tax reform signed on December 22, 2017.

Notes (1) to (17) are an integral part of these interim consolidated financial statements.

CONSOLIDATED BALANCE SHEET

as of February 28, 2019

ASSETS

in EUR k	Notes	Feb. 28, 2019	Nov. 30, 2018	Feb. 28, 2018
Non-current assets				
Intangible assets	(9)	1,488,028	1,505,679	1,074,138
Property, plant and equipment		615,354	620,728	582,345
Investment property		4,611	4,611	5,565
Investments accounted for using the equity method		297	297	252
Income tax receivables		1,566	1,692	1,647
Other financial assets		6,195	3,683	5,077
Other receivables		3,968	2,871	1,660
Deferred tax assets		20,132	19,495	9,550
		2,140,151	**2,159,056**	**1,680,234**
Current assets				
Inventories	(10)	190,013	171,490	168,014
Trade receivables	(11)	227,174	273,531	221,275
Income tax receivables		6,122	5,462	4,220
Other financial assets		16,491	18,025	17,779
Other receivables		24,429	21,825	21,465
Cash and cash equivalents		84,878	80,570	275,495
Non-current assets and disposal groups held for sale		–	955	–
		549,107	**571,858**	**708,248**
Total assets		**2,689,258**	**2,730,914**	**2,388,482**

EQUITY AND LIABILITIES

in EUR k	Notes	Feb. 28, 2019	Nov. 30, 2018	Feb. 28, 2018
Equity				
Subscribed capital		31,400	31,400	31,400
Capital reserve		513,827	513,827	513,827
IFRS 9/IAS 39 reserve		2,527	-6	-6
Currency translation reserve		-66,338	-67,139	-85,473
Retained earnings		494,031	394,578	327,463
Equity attributable to equity holders of the parent		**975,447**	**872,660**	**787,211**
Non-controlling interests		18,321	17,473	36,708
		993,768	**890,133**	**823,919**
Non-current liabilities				
Deferred tax liabilities		165,426	167,862	95,186
Provisions for pensions and similar obligations		140,045	141,583	140,293
Other provisions		9,563	10,945	10,516
Trade payables	(11)	380	120	–
Other financial liabilities	(12) + (13)	677,678	751,417	681,051
Other liabilities		55	503	1,039
		993,147	**1,072,430**	**928,085**
Current liabilities				
Provisions for pensions and similar obligations		13,944	13,943	13,437
Other provisions		43,468	44,951	31,781
Trade payables	(11)	163,441	207,282	130,607
Other financial liabilities	(12) + (13)	404,644	389,683	347,474
Income tax liabilities		2,996	4,873	7,246
Other liabilities		73,850	107,619	105,933
		702,343	**768,351**	**636,478**
		1,695,490	**1,840,781**	**1,564,563**
Total equity and liabilities		**2,689,258**	**2,730,914**	**2,388,482**

Notes (1) to (17) are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Period from December 1, 2018 to February 28, 2019

			Other comprehensive income					
in EUR k	Subscribed capital	Capital reserve	IFRS 9/ IAS 39 reserve	Currency translation reserve	Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interests	**Total equity**
As of November 30/December 1, 2017	**31,400**	**513,827**	**-5**	**-71,021**	**278,862**	**753,063**	**36,462**	**789,525**
Net income	–	–	–	–	48,658	48,658	554	49,212
Other comprehensive income	–	–	-1	-14,452	-57	-14,510	-308	-14,818
Total comprehensive income	**–**	**–**	**-1**	**-14,452**	**48,601**	**34,148**	**246**	**34,394**
As of February 28, 2018	**31,400**	**513,827**	**-6**	**-85,473**	**327,463**	**787,211**	**36,708**	**823,919**
As of November 30, 2018	**31,400**	**513,827**	**-6**	**-67,139**	**394,578**	**872,660**	**17,473**	**890,133**
Conversion effect first-time adoption IFRS 15	–	–	–	–	521	521	–	521
Conversion effect first-time adoption IFRS 9	–	–	2,533	–	–	2,533	–	2,533
Adjusted total as of December 1, 2018	**31,400**	**513,827**	**2,527**	**-67,139**	**395,099**	**875,714**	**17,473**	**893,187**
Net income	–	–	–	–	98,932	98,932	396	99,328
Other comprehensive income	–	–	–	801	–	801	452	1,253
Total comprehensive income	**–**	**–**	**–**	**801**	**98,932**	**99,733**	**848**	**100,581**
As of February 28, 2019	**31,400**	**513,827**	**2,527**	**-66,338**	**494,031**	**975,447**	**18,321**	**993,768**

Notes (1) to (17) are an integral part of these interim consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the Period from December 1, 2018 to February 28, 2019

in EUR k	Notes	Q1 2019	Q1 2018
Net income		99,328	49,212
Income taxes	(7)	2,703	-41,307
Amortization of intangible assets		15,256	8,475
Depreciation of property, plant and equipment		21,742	22,463
Change in other provisions		-2,827	-2,604
Change in provisions for pensions and similar obligations		-2,158	-4,877
Gain (-)/loss (+) on the disposal of non-current assets/liabilities		-2,959	45
Net finance expense		6,988	9,406
Interests paid		-2,943	-714
Interests received		212	269
Income taxes paid		-8,434	-7,212
Income taxes received		239	2,243
Change in inventories		-18,209	-20,868
Change in trade receivables and other assets		45,315	13,217
Change in trade payables and other liabilities		-172,244	-39,710
Other non-cash expenses/income		1,292	9,640
Cash flow from operating activities		**-16,699**	**-2,322**
Cash received from disposals of non-current assets		4,380	170
Cash paid for capital expenditure			
in intangible assets		-1,527	-1,659
in property, plant and equipment		-15,218	-9,175
in financial assets		-37	–
Cash paid for the acquisition of subsidiaries, net of cash received	(2)	-24,769	–
Cash flow from investing activities		**-37,171**	**-10,664**
Raising of loans		78,200	6,323
Repayment of loans		-22,594	-5,386
Cash paid for finance lease		-186	-167
Cash flow from financing activities		**55,420**	**770**
Changes in financial resources		**1,550**	**-12,216**
Effect of exchange rate changes on financial resources		190	-1,356
Financial resources at the beginning of the period		61,936	271,596
Financial resources at the end of the period		**63,676**	**258,024**
Components of the financial resources			
Cash and cash equivalents		84,878	275,495
Bank overdrafts		-21,202	-17,471
Financial resources at the end of the period		**63,676**	**258,024**

Notes (1) to (17) are an integral part of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

of Gerresheimer AG for the Period from December 1, 2018 to February 28, 2019

(1) General Information

The Gerresheimer Group based in Duesseldorf, Germany, comprises Gerresheimer AG and its direct and indirect subsidiaries.

The present interim consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), applicable as of the reporting date, issued by the International Accounting Standards Board (IASB) as adopted by the European Union as well as with regulations under commercial law as set forth in section 315e paragraph 1 of the German Commercial Code (Handelsgesetzbuch/HGB) and in accordance with IAS 34 "Interim Financial Reporting". These notes to the interim consolidated financial statements therefore do not contain all the information and details required by IFRS for consolidated financial statements at the end of a financial year, and should be read in conjunction with the consolidated financial statements as of November 30, 2018. The present financial statements have not been reviewed by our auditors.

The consolidated income statement was drawn up using the function of expense method and is supplemented by a consolidated statement of comprehensive income. The same accounting principles generally apply as in the consolidated financial statements for 2018.

The following new or revised standards and interpretations were additionally adopted for the first time:

- IFRS 9, Financial Instruments
- IFRS 15, Revenue from Contracts with Customers
- Clarifications to IFRS 15, Revenue from Contracts with Customers
- Amendments to IFRS 2, Classification and Measurement of Share-based Payment Transactions
- Amendments to IFRS 4, Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- Amendments to IAS 40, Transfers of Investment Property
- IFRIC 22, Foreign Currency Transactions and Advance Consideration
- Annual Improvements to IFRSs, 2014 – 2016 Cycle: The amendments to IFRS 1 and IAS 28

IFRS 9 "Financial Instruments" replaces the previous Standard IAS 39 "Financial Instruments: Recognition and Measurement" and introduces a new classification model and new measurement requirements as well as a new impairment model for financial assets. Furthermore, the general hedge accounting requirements were revised. With regard to financial liabilities, on the other hand, IFRS 9 largely retains the previous requirements unaltered. As permitted under the transitional provisions in IFRS 9, Gerresheimer has opted not to restate prior-year figures. Transition effects from application of IFRS 9 as of December 1, 2018 are recognized cumulatively in other comprehensive income, and the comparative period is presented in accordance with the previous rules. Furthermore, Gerresheimer has opted to continue to apply the requirements of IAS 39 to hedge accounting.

With the introduction of the new classification and measurement model, classification and measurements refer to the underlying business model and the contractual cash flows of the financial assets. Assessment of these conditions results in the following classification categories for financial assets: measured at amortized cost, at fair value through profit or loss (FVTPL), and at fair value through other comprehensive income (FVTOCI). The following table shows the reconciliation of the classification and measurement categories for financial assets and liabilities from IAS 39 to IFRS 9:

in EUR k	Measurement category in accordance with IAS 39	Carrying amount in accordance with IAS 39 as of Nov. 30, 2018	Measurement category in accordance with IFRS 9	Carrying amount in accordance with IFRS 9 as of Dec. 1, 2018
Fair value of derivative financial instruments	At fair value through profit or loss	204	Measured at fair value through profit or loss	204
Investments	Available-for-sale financial assets	400	Measured at fair value through other comprehensive income	2,933
Refund claims for pension benefits	Loans and receivables	3,474	At amortized cost	3,474
Refund claims from third parties	Loans and receivables	10,204	At amortized cost	10,204
Other loans	Loans and receivables	1,630	At amortized cost	1,630
Other	Loans and receivables	5,722	At amortized cost	5,722
	Available-for-sale financial assets	74	Measured at fair value through profit or loss	74
Trade receivables[1]	Loans and receivables	273,531	At amortized cost	273,531
Cash and cash equivalents	Loans and receivables	80,570	At amortized cost	80,570
Financial assets		**375,809**		**378,342**
Promissory loans	At amortized cost	674,046	At amortized cost	674,046
Liabilities to banks	At amortized cost	283,270	At amortized cost	283,270
Fair value of derivative financial instruments	At fair value through profit or loss	1,346	Measured at fair value through profit or loss	1,346
Other	At amortized cost	33,907	At amortized cost	33,907
	At fair value through profit or loss	148,531	Measured at fair value through profit or loss	148,531
Trade payables	At amortized cost	207,402	At amortized cost	207,402
Financial liabilities		**1,348,502**		**1,348,502**

[1] Including receivables from construction contracts in the amount of EUR 55,611k.

From December 1, 2018 onwards, the investment in Securetec Detektions-Systeme AG, Neubiberg (Germany), that has previously been carried at cost, is measured at fair value on the basis of the discounted cash flow approach and designated to the category “measured at fair value through other comprehensive income”. The effect from the increase of the carrying amount by EUR 2,533k was recognized in equity (other comprehensive income) as of December 1, 2018.

The new impairment model in IFRS 9 replaces the “incurred loss” model in IAS 39 with a forward looking “expected credit loss” (ECL) model. The new impairment model applies to financial assets measured at amortized cost or at fair value through other comprehensive income, except for investments in equity instruments, and to contract assets. Among others, there are exceptions for trade receivables and for contract assets recognized under IFRS 15. If such items do not have a material financing component, all expected losses must be taken into account on initial recognition. Where they do have a material financing component, the entity can elect to recognize full lifetime expected losses. Gerresheimer holds debt instruments almost exclusively in the form of current trade receivables. Transition to the expected credit loss model did not have a material impact here, in part due to existing credit insurance.

The new standard **IFRS 15** “Revenue from Contracts with Customers“ combines the previous revenue recognition requirements and brings them under a uniform revenue recognition model. It notably replaces IAS 18 “Revenue”, IAS 11 “Construction Contracts” and various revenue-related interpretations. IFRS 15 introduces a five-step model that determines the amount of revenue recognized and whether revenue is recognized at a point in time or over time. Under IFRS 15, amounts are to be recognized as revenue that the entity expects in consideration for transferring goods or services to a customer. Revenue is recognized when the entity transfers control of goods or services either over time or at a point in time. The standard also includes numerous other detailed requirements and additions to notes disclosures.

Gerresheimer has opted for modified retrospective first-time application of the requirements under IFRS 15, which means that the reporting period is presented in accordance with IFRS 15, while the comparative prior-year period is presented in accordance with IAS 11/IAS 18. The cumulative effects of first-time application of the new standard on contracts not yet fully completed as of December 1, 2018 are recognized in retained earnings as of December 1, 2018.

In consignment arrangements, where products and merchandise remain the property of the Gerresheimer Group until withdrawn by the customer, revenue was until now recognized when the customer withdraws the products and merchandise from the consignment store. Under some such arrangements, however, customers now obtain control upon delivery of the products and merchandise to the consignment store. There are also agreements with various customers on molds used in the production process, where the customer obtains control on acceptance of each mold. Both of these situations result in revenue being recognized earlier than under the previous rules.

Advance payments in connection with product deliveries have been previously reported under "prepayments received" in other liabilities. With the introduction of IFRS 15, these are reported as contract liabilities. Up to now, advance payments and receivables in connection with customer-specific construction contracts have been reported on a gross basis under trade receivables and under other liabilities. Under IFRS 15, the prepayments received are to be included in the calculation of the respective contract balance; to this extent, there is a balanced presentation of a net contractual item under trade receivables or trade payables.

The effects of the adaptation of IFRS 9 and IFRS 15 to the opening balance sheet as of December 1, 2018 are as follows:

ASSETS

in EUR k	Nov. 30, 2018	Adjustments IFRS 9	Adjustments IFRS 15	Dec. 1, 2018
Non-current assets				
Deferred tax assets	19,495	–	13	19,508
Other non-current assets	2,139,561	2,533	–	2,142,094
	2,159,056	**2,533**	**13**	**2,161,602**
Current assets				
Inventories	171,490	–	-695	170,795
Trade receivables	273,531	–	-26,823	246,708
Other current assets	126,837	–	–	126,837
	571,858	**–**	**-27,518**	**544,340**
Total assets	**2,730,914**	**2,533**	**-27,505**	**2,705,942**

EQUITY AND LIABILITIES

in EUR k	Nov. 30, 2018	Adjustments IFRS 9	Adjustments IFRS 15	Dec. 1, 2018
Equity				
Retained earnings	394,578	–	521	395,099
Other equity	495,555	2,533	–	498,088
	890,133	**2,533**	**521**	**893,187**
Non-current liabilities				
Deferred tax liabilities	167,862	–	222	168,084
Other provisions	10,945	–	–	10,945
Trade payables	120	–	420	540
Other liabilities	503	–	-420	83
Other non-current liabilities	893,000	–	–	893,000
	1,072,430	**–**	**222**	**1,072,652**
Current liabilities				
Other provisions	44,951	–	–	44,951
Trade payables	207,282	–	6,259	213,541
Other liabilities	107,619	–	-34,507	73,112
Other current liabilities	408,499	–	–	408,499
	768,351	**–**	**-28,248**	**740,103**
	1,840,781	**–**	**-28,026**	**1,812,755**
Total equity and liabilities	**2,730,914**	**2,533**	**-27,505**	**2,705,942**

First-time adoption of the other above-mentioned standards and interpretations have not had any significant effect on these interim consolidated financial statements.

Preparation of the interim consolidated financial statements requires estimates, assumptions and judgments that affect the recognition and measurement of assets and liabilities, the amount of recognized income and expense and the disclosure of contingent liabilities and receivables. Although the estimates are subject to ongoing review and made to the best of management's knowledge of current events and transactions, actual future results may differ from the estimated amounts.

The interim consolidated financial statements are presented in euros, the functional currency of the parent company. Individual values as well as subtotal values reflect the value with the smallest rounding difference. Consequently, minor differences to subtotal values can occur when adding up reported individual values. The following exchange rates are used to translate the major currencies into reporting currency:

		Closing rate		Average rate	
1 EUR		**Feb. 28, 2019**	Feb. 28, 2018	**Q1 2019**	Q1 2018
Argentina	ARS	44.2878	24.5780	43.2600	23.0905
Brazil	BRL	4.2688	3.9615	4.3250	3.9345
Switzerland	CHF	1.1335	1.1520	1.1328	1.1638
China	CNY	7.6309	7.7285	7.7749	7.8012
Czech Republic	CZK	25.6010	25.4180	25.7740	25.4290
Denmark	DKK	7.4611	7.4465	7.4641	7.4438
India	INR	80.8915	79.6230	80.4711	77.9490
Mexico	MXN	21.9073	22.9437	22.3634	22.9587
Poland	PLN	4.3089	4.1781	4.2938	4.1752
Singapore	SGD	1.5390	1.6162	1.5518	1.6115
United States of America	USD	1.1416	1.2214	1.1429	1.2128

The consolidated financial statements of Gerresheimer AG as of November 30, 2018 are published in German in the Federal Law Gazette (Bundesanzeiger) and on the internet at www.gerresheimer.com.

(2) Consolidated Cash Flow Statement

The consolidated cash flow statement shows how the financial resources of the Gerresheimer Group have changed due to cash inflows and outflows during the financial year. The cash flow effects of acquisitions, divestments and other changes in the consolidated group are presented separately. In the reporting period, the item "Cash paid for the acquisition of subsidiaries, net of cash received" includes the second fixed purchase price component paid as of December 17, 2018 for the acquisition of Sensile Medical AG (Olten/Switzerland). Financial resources as reported in the consolidated cash flow statement comprise cash and cash equivalents, which is cash on hand, checks and bank balances, diminished by bank overdrafts.

The change in liabilities from financing activities is as follows:

		Cash flows		Non-cash changes		
in EUR k	Nov. 30, 2018	Cash inflow	Cash outflow	Currency effects	Fair value changes	**Feb. 28, 2019**
Promissory loans	674,046	–	–	–	62	674,108
Liabilities to banks	264,636	78,200	-22,594	-925	233	319,550
Finance lease liabilities	7,747	–	-186	-18	–	7,543
	946,429	**78,200**	**-22,780**	**-943**	**295**	**1,001,201**

The item "Other financial liabilities" as reported in the consolidated balance sheet comprises liabilities, which are not reported in the cash flow from financing activities in the consolidated cash flow statement.

(3) Seasonal Effects on Business Activity

The business is subject to seasonal influences, as revenues and cash flows in Europe and North America are usually lowest in the holiday period in December/January and during the summer months.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(4) Revenues

Revenues break down as follows:

in EUR k	Q1 2019	Q1 2018
By Division		
Plastics & Devices	160,721	157,237
Primary Packaging Glass	141,921	133,133
Advanced Technologies	6,568	–
Segment revenues	**309,210**	**290,370**
Intra-Group revenues	-670	-4
Revenues	**308,540**	**290,366**

in EUR k	Q1 2019	Q1 2018
By Region[1)]		
Europe	103,778	96,781
Germany	71,866	67,425
Americas	78,853	74,897
Emerging markets	48,785	45,345
Other regions	5,258	5,918
Revenues	**308,540**	**290,366**

[1)] The revenues shown here for Europe exclude revenues in Germany, Poland, Russia and Turkey, and the revenues shown for the Americas exlude revenues in Argentina, Brazil, Chile, Colombia and Mexico.

IQVIA kept its definition of emerging markets unchanged since the prior financial year, therefore 22 countries are classified as emerging markets as before. According to the current definition employed by IQVIA, emerging market revenues comprise revenues in Algeria, Argentina, Bangladesh, Brazil, Chile, China, Colombia, Egypt, India, Indonesia, Kazakhstan, Mexico, Nigeria, Pakistan, Philippines, Poland, Russia, Saudi Arabia, South Africa, Thailand, Turkey and Vietnam.

Revenues include EUR 11,052k (comparative prior-year period: EUR 4,646k) of customer-specific contract revenue recognized. The increase is mainly attributable to Sensile Medical, which was not yet part of the Gerresheimer Group in the comparative prior-year quarter. In this case, revenue is recognized over time. Other revenues mainly result from sales of goods, whereby revenue recognition is based on a point in time.

(5) Other Operating Income

Significant components of other operating income of EUR 98,319k (comparative prior-year period: EUR 4,940k) represent income from the derecognition of contingent purchase price components from the acquisition of Sensile Medical in the amount of EUR 92,341k. This results from a customer´s announcement that he will not continue a project to develop a micro pump for the treatment of heart diseases with Sensile Medical. Gerresheimer has hedged this risk economically by agreeing to a contingent purchase price. Furthermore one-off income amounts to EUR 2,932k (comparative prior-year period: EUR 742k). These are entirely attributable to a book gain from the sale of a piece of land in Switzerland, which was reported as a non-current asset held for sale in the consolidated balance sheet as of November 30, 2018. In addition, income from the reversal of provisions of EUR 1,311k (comparative prior-year period: EUR 1,975k) is included in other operating income. This income mainly results from provisions for guarantees, which have been accounted for in prior periods and are no longer needed.

(6) Other Operating Expenses

Other operating expenses in the amount of EUR 4,944k (comparative prior-year period: EUR 6,612k) are mainly related to one-off expenses of EUR 2,713k, which mainly result from the announced closure of our plant in Kuessnacht (Switzerland).

(7) Income Taxes

Income taxes break down as follows:

in EUR k	Q1 2019	Q1 2018
Current income taxes	-5,642	-1,951
Deferred income taxes	2,939	43,258
Income taxes	**-2,703**	**41,307**

Other operating income from the derecognition of the contingent purchase price liability in connection with the acquisition of Sensile Medical in the first quarter of 2019 is not taxable.

In the comparative prior-year period, income from income taxes of EUR 41,307k were significantly influenced by the revaluation of the recognized deferred taxes of our US subsidiaries included in the consolidated financial statements due to the US tax reform signed on December 22, 2017. Without this positive one-off effect of USD 52,851k, which corresponds to EUR 43,577k at exchange rates of the first quarter 2018, there would have been an income tax expense of EUR 2,270k.

Excluding other operating income related to the derecognition of contingent purchase price components from the acquisition of Sensile Medical of EUR 92,341k in the first quarter of 2019 and the revaluation of deferred taxes due to the US tax reform in the prior-year quarter, this would result in a tax rate of 27.9% for the first quarter of 2019 and 28.7% for the same period in the prior year.

(8) Distributions to Third Parties

There were no distributions to third parties in the first quarter of 2019 as well as in the first quarter of 2018.

(9) Intangible Assets

At the beginning of 2019, a customer of Sensile Medical cancelled a project to develop a micro pump for the treatment of heart diseases. The termination of this project was an indication for a review of the goodwill and other non-current assets of the cash-generating unit Sensile Medical for its recoverability (impairment test). As a result of this impairment test, the recoverable amount of the cash-generating unit continues to exceed its carrying amount. The recognition of an impairment loss on the basis of the termination of the development project was not necessary due to the economic hedging against this risk and the development of the business unit since its inclusion in the Gerresheimer Group.

(10) Inventories

Inventories break down as follows:

in EUR k	Feb. 28, 2019	Nov. 30, 2018
Raw materials, consumables and supplies	57,535	52,944
Work in progress	18,737	16,078
Finished goods and merchandise	108,251	97,749
Prepayments made	5,490	4,719
Inventories	**190,013**	**171,490**

Write-downs of inventories totaling EUR 4,056k (comparative prior-year period: EUR 2,372k) were recognized as an expense in the reporting period. When the circumstances that caused a write-down no longer exist, the write-down is reversed. Reversals of write-downs amounted to EUR 41k (comparative prior-year period: EUR 52k) in the reporting period. Further information on the development of inventories is provided in the net working capital section of the Interim Group Management Report.

(11) Contract Assets and Contract Liabilities

With the introduction of IFRS 15, contract assets and contract liabilities have been introduced. They will be reported under trade receivables and under trade payables.

As of February 28, 2019, trade receivables include contract assets in the amount of EUR 25,786k (December 1, 2018: EUR 28,788k). Trade payables include contract liabilities of EUR 10,973k (December 1, 2018: EUR 6,679k), of which EUR 299k (December 1, 2018: EUR 420k) are classified as non-current.

(12) Financial Liabilities

In connection with the refinancing of the syndicated loans, a revolving loan agreement of EUR 450,000k was signed on June 9, 2015 with a five-year term to maturity. As of the balance sheet date, EUR 318,479k of the revolving credit facility had been drawn.

On November 10, 2015, promissory loans for a total of EUR 425,000k were launched with maturities of five, seven and ten years. In connection with the refinancing of the bond which was repaid in May 2018, promissory loans for a total of EUR 250,000k were issued on September 27, 2017 with maturities of five, seven and ten years.

(13) Reporting on Financial Instruments

The Group's capital management objectives primarily consist of maintaining and ensuring the best-possible capital structure to reduce cost of capital, ensuring a sufficient level of cash and cash equivalents as well as active management of net working capital. Net financial debt as of February 28, 2019 amounts to EUR 939,145k (November 30, 2018: EUR 886,409k); net working capital is EUR 253,366k (November 30, 2018: EUR 202,692k).

The Gerresheimer Group's risk management system for credit risk, liquidity risk and individual market risks, including interest risks, currency risks and other price risks, is described, including its objectives, policies and processes and their measures to monitor the covenants to be complied with, in the Opportunity and Risk Report section of the Group Management Report of the Annual Report as of November 30, 2018.

Information on financial instruments by category and class

By type of determination of the fair values of financial assets and financial liabilities, three hierarchy levels must be distinguished. Gerresheimer reviews the categorization of fair value measurements to levels in the fair value hierarchy at the end of each reporting period.

Level 1: Fair values are determined on the basis of quoted prices in an active market.

Level 2: If no active market for a financial asset or a financial liability exists, fair value is established by using valuation techniques. The fair value measurements categorized in Level 2 were determined on the basis of prices in the most recent transactions with willing and independent parties or using valuation techniques that only take into account directly or indirectly observable inputs.

Level 3: The fair value measurements are based on models incorporating unobservable inputs that are significant to the measurement.

The following table shows the allocation of financial assets and liabilities by classes and categories according to IFRS 9 (prior year: IAS 39) into the respective hierarchy level:

	Feb. 28, 2019			
in EUR k	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets designated "at fair value through other comprehensive income"				
Investments	–	2,932	–	2,932
Securities	73	–	–	73
Financial assets designated "at fair value through profit and loss"				
Investments	–	37	–	37
Derivative financial assets	–	264	–	264
Measured at fair value	**73**	**3,233**	**–**	**3,306**
Financial liabilities designated "at fair value through profit and loss"				
Contingent purchase price liability	–	–	56,190	56,190
Derivative financial liabilities	–	314	–	314
Measured at fair value	**–**	**314**	**56,190**	**56,504**

	Nov. 30, 2018			
in EUR k	Level 1	Level 2	Level 3	Total
Financial assets designated "at fair value through other comprehensive income"				
Securities	74	–	–	74
Financial assets designated "at fair value through profit and loss"				
Derivative financial assets	–	204	–	204
Measured at fair value	**74**	**204**	**–**	**278**
Financial liabilities designated "at fair value through profit and loss"				
Contingent purchase price liability	–	–	148,531	148,531
Derivative financial liabilities	–	1,346	–	1,346
Measured at fair value	**–**	**1,346**	**148,531**	**149,877**

The following table shows the carrying amounts and fair values of the individual financial assets and financial liabilities for each category of financial instruments and reconciles them to the corresponding balance sheet items:

	Feb. 28, 2019			
	At amortized cost		At fair value	
in EUR k	Carrying amount	*For information purposes: Fair value*	Carrying amount	**Balance sheet amount**
Trade receivables	227,174	*227,174*	–	227,174[1]
At amortized cost	227,174	*227,174*	–	
Other financial assets	19,380	*19,380*	3,306	22,686
At fair value through other comprehensive income	–	–	3,005	
At fair value through profit or loss	–	–	301	
At amortized cost	19,380	19,380	–	
Cash and cash equivalents	84,878	*84,878*	–	84,878
At amortized cost	84,878	*84,878*	–	
Financial assets	**331,432**	***331,432***	**3,306**	**334,738**
Other financial liabilities	1,025,818	*1,025,818*	56,504	1,082,322
At amortized cost	1,025,818	*1,025,818*	–	
At fair value through profit or loss	–	–	56,504	
Trade payables	163,821	*163,821*	–	163,821
At amortized cost	163,821	*163,821*	–	
Financial liabilities	**1,189,639**	***1,189,639***	**56,504**	**1,246,143**

	Nov. 30, 2018			
	At amortized cost		At fair value	
in EUR k	Carrying amount	*For information purposes: Fair value*	Carrying amount	**Balance sheet amount**
Trade receivables	217,920	*217,920*	–	217,920[2]
Loans and receivables	217,920	*217,920*	–	
Other financial assets	21,430	*21,030*	278	21,708
Available-for-sale financial assets	400[3]	–	74	
At fair value through profit or loss	–	–	204	
Loans and receivables	21,030	*21,030*	–	
Cash and cash equivalents	80,570	*80,570*	–	80,570
Financial assets	**319,920**	***319,520***	**278**	**320,198**
Other financial liabilities	991,223	*991,223*	149,877	1,141,100
At amortized cost	991,223	*991,223*	–	
At fair value through profit or loss	–	–	149,877	
Trade payables	207,402	*207,402*	–	207,402
At amortized cost	207,402	*207,402*	–	
Financial liabilities	**1,198,625**	***1,198,625***	**149,877**	**1,348,502**

[1] Including contract assets in the amount of EUR 25,786k.
[2] Receivables from construction contracts are additionally recognized in the consolidated balance sheet in the amount of EUR 55,611k as of November 30, 2018.
[3] Due to the non-availability of a reliably estimable quoted price, the fair value of investments with a carrying amount of EUR 400k is not stated. The valuation standard is the acquisition cost.

Liabilities measured at amortized cost include finance lease liabilities for which Group companies are the lessees. As of February 28, 2019, these liabilities amount to EUR 7,543k (November 30, 2018: EUR 7,747k).

The fair values of receivables, loans and liabilities are measured at the present value of future cash flows discounted at the current interest rate as of the balance sheet date. The fair values are discounted at an interest rate, taking into account the maturity of the asset or the remaining term of the liability and the counterparty's credit standing as of the balance sheet date.

Due to the predominantly short terms, the fair values of trade receivables, trade payables, other financial assets, other financial liabilities as well as cash and cash equivalents do not differ significantly from their carrying amounts.

(14) Other Financial Obligations

Other financial obligations not recognized in the consolidated balance sheet break down as follows:

in EUR k	**Feb. 28, 2019**	Nov. 30, 2018
Obligations under rental and operating lease agreements	38,522	37,905
Capital expenditure commitments	34,284	26,943
Sundry other financial obligations	8,406	7,703
Other financial obligations	**81,212**	**72,551**

The obligations under rental and operating lease agreements mainly relate to plant as well as to land and buildings used for operating purposes.

OTHER NOTES

(15) Segment Reporting

Segment reporting follows internal reporting according to the management approach.

In the Gerresheimer Group, the Management Board of Gerresheimer AG, as the chief operating decision maker, allocates resources to the operating segments and assesses their performance. The reportable segments and regions as well as the performance data shown are consistent with the internal management and reporting system.

The Gerresheimer Group is managed through strategic business units organized as divisions. These are aggregated into reporting segments based on their specific production technologies and the materials we use in our products.

The Gerresheimer Group is divided into the three reportable divisions Plastics & Devices, Primary Packaging Glass and Advanced Technologies.

Our product portfolio in the **Plastics & Devices Division** encompasses complex, customer-specific products for simple and safe drug delivery. These include insulin pens, inhalers and pre-fillable syringes. The division also covers diagnostics and medical technology products such as skin-prick aids and test systems as well as pharmaceutical plastic containers for liquid and solid medicines with closure and safety systems.

In the **Primary Packaging Glass Division**, we produce glass primary packaging products for drugs and cosmetics. This includes pharma jars, ampoules, injection vials, cartridges, perfume flacons and cream jars, plus special glass containers for the food and beverage industry.

The **Advanced Technologies Division** develops and manufactures intelligent drug delivery systems. The Swiss tech company Sensile Medical forms the basis of this division, which offers pharmaceutical and biotech companies drug delivery systems with state-of-the-art digital and electronic capabilities. Its patented micro pumps can be used to self-administer medication for diabetes or Parkinson's disease, for example. Furthermore, smart inhalation measurement systems are developed in the Advanced Technologies Division.

The effects of services of Gerresheimer AG, consolidation measures and inter-segment reconciliations are presented in the segment reporting in the column "Head office/consolidation". The measurement principles for segment reporting are based on the IFRSs applied in the consolidated financial statements.

In the following, the key indicators used by Gerresheimer AG for assessing the performance of the divisions as well as additional indicators by region are shown:

Segment Data by Division

in EUR k	Plastics & Devices		Primary Packaging Glass		Advanced Technologies[1]		Head office/ consolidation		Group	
	Q1 2019	Q1 2018	**Q1 2019**	Q1 2018	**Q1 2019**	Q1 2018	**Q1 2019**	Q1 2018	**Q1 2019**	Q1 2018
Segment revenues at constant exchange rates[2]	160,071	157,590	141,370	134,584	6,568	–	–	–	308,009	292,174
Exchange rate effects	650	-353	551	-1,451	–	–	–	–	1,201	-1,804
Segment revenues	160,721	157,237	141,921	133,133	6,568	–	–	–	309,210	290,370
Intra-Group revenues	-670	-4	–	–	–	–	–	–	-670	-4
Revenues with third parties	**160,051**	**157,233**	**141,921**	**133,133**	**6,568**	**–**	**–**	**–**	**308,540**	**290,366**
Adjusted EBITDA at constant exchange rates[2), 3)]	33,913	38,232	25,063	20,533	1,019	–	85,469	-5,350	145,464	53,415
Exchange rate effects	272	-599	141	-186	–	–	–	–	413	-785
Adjusted EBITDA[3]	34,185	37,633	25,204	20,347	1,019	–	85,469	-5,350	145,877	52,630
Depreciation and amortization	-10,520	-10,822	-11,536	-11,914	-657	–	-487	-485	-23,200	-23,221
Adjusted EBITA[4]	23,665	26,811	13,668	8,433	362	–	84,982	-5,835	122,677	29,409
Net Working Capital	114,093	115,893	124,080	111,013	17,751	–	-2,558	-2,956	253,366	223,950
Operating Cash Flow	-1,907	5,901	1,665	3,567	-4,571	–	84,577	-7,143	79,764	2,325
Capital expenditure	9,058	5,934	6,947	4,234	420	–	320	666	16,745	10,834
Employees (average)	4,510	4,463	5,136	5,197	109	–	112	113	9,867	9,773

[1] The Advanced Technologies Division, established following the acquisition of Sensile Medical, consists of the Sensile Medical Business Unit. The acquisition date for the acquisition of Sensile Medical was June 30, 2018. For further information, please see Note (2) of the Notes to the Consolidated Financial Statements 2018.
[2] Translated at budget rates 2019, which can be found in the outlook section of this Interim Group Management Report.
[3] Adjusted EBITDA: Net income before income taxes, net finance expense, amortization of fair value adjustments, depreciation and amortization, impairment losses, restructuring expenses, and one-off income and expenses.
[4] Adjusted EBITA: Net income before income taxes, net finance expense, amortization of fair value adjustments, impairment losses, restructuring expenses, and one-off income and expenses.

Key indicators by region[1)]

in EUR k	Europe		Germany		Americas		Emerging markets		Other regions		Group	
	Q1 2019	Q1 2018	**Q1 2019**	Q1 2018	**Q1 2019**	Q1 2018	**Q1 2019**	Q1 2018	**Q1 2019**	Q1 2018	**Q1 2019**	Q1 2018
Revenues by target region[2)]	103,778	96,781	71,866	67,425	78,853	74,897	48,785	45,345	5,258	5,918	308,540	290,366
Revenues by region of origin[3)]	64,487	57,379	116,577	110,702	80,258	78,477	47,218	43,808	–	–	308,540	290,366
Non-current assets[4)]	547,025	140,461	658,037	626,401	724,441	706,641	184,321	192,104	–	–	2,113,824	1,665,607
Employees (average)	1,856	1,834	3,510	3,382	1,103	1,056	3,398	3,501	–	–	9,867	9,773

1) For further explanations of the regions we refer to Note (4).
2) Revenues by location of customer registered office.
3) Revenues by location of supplier registered office.
4) Non-current assets do not include financial instruments, deferred tax assets, post-employment benefits or rights arising from insurance contracts.

Reconciliation from adjusted segment EBITA of the divisions to net income is shown in the following table:

in EUR k	**Q1 2019**	Q1 2018
Adjusted segment EBITA	37,695	35,244
Head office/consolidation	84,982	-5,835
Adjusted Group EBITA	**122,677**	**29,409**
Portfolio optimization	742	-93
One-off income and expenses	-602	-4,288
Amortization of fair value adjustments	-13,798	-7,717
Results of operations	**109,019**	**17,311**
Net finance expense	-6,988	-9,406
Income taxes	-2,703	41,307
Net income	**99,328**	**49,212**

Transfer prices between the divisions are based on customary market terms on arm’s length terms.

(16) Related Party Disclosures

In the course of our operating activities, we conduct business with legal entities and individuals who are able to exert influence on Gerresheimer AG or its subsidiaries or are controlled or significantly influenced by Gerresheimer AG or its subsidiaries.

Related parties include companies that are related parties of members of the Supervisory Board of Gerresheimer AG, non-consolidated companies and associates, and members of the Gerresheimer AG Supervisory Board and Management Board.

The table below shows transactions with related parties:

	Q1 2019		**Feb. 28, 2019**		Q1 2018		Feb. 28, 2018	
in EUR k	**Sale of goods and services**	**Purchase of goods and services**	**Trade receivables**	**Trade payables**	Sale of goods and services	Purchase of goods and services	Trade receivables	Trade payables
Company in relation to a member of the Gerresheimer AG Supervisory Board	831	–	458	–	623	–	339	–
Associated companies	1	557	–	104	3	486	–	6
	832	**557**	**458**	**104**	**626**	**486**	**339**	**6**

The transactions carried out are attributable to the Vetter Pharma-Fertigung GmbH & Co. KG, Ravensburg (Germany), which is related to a member of the Supervisory Board.

The transactions carried out with associated companies are fully attributable to the companies Gerresheimer Tooling LLC, Peachtree City (Georgia/USA) and PROFORM CNC Nastrojarna spol. s r.o., Horsovsky Tyn (Czech Republic).

All transactions are conducted at market prices and on arm's length terms.

(17) Events after the Balance Sheet Date

There were no subsequent events after February 28, 2019 that are expected to have a material impact on the net assets, financial position or results of operations of the Gerresheimer Group.

The Management Board approved the interim consolidated financial statements on April 10, 2019, after discussion with the Audit Committee of the Supervisory Board.

FINANCIAL CALENDAR

June 6, 2019	Annual General Meeting 2019
July 11, 2019	Interim Report 2nd Quarter 2019
October 10, 2019	Interim Report 3rd Quarter 2019

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Note to the Interim Report
This Interim Report is the English translation of the original German version; in case of deviations between these two, the German version prevails.

Note regarding the rounding of figures
Due to the commercial rounding of figures and percentages, small deviations may occur.

Disclaimer
This Interim Report contains certain future-oriented statements. Future-oriented statements include all statements which do not relate to historical facts and events and contain future-oriented expressions such as “believe”, “estimate”, “assume”, “expect”, “forecast”, “intend”, “could” or “should” or expressions of a similar kind. Such future-oriented statements are subject to risks and uncertainties since they relate to future events and are based on the Company’s current assumptions, which may not in the future take place or be fulfilled as expected. The Company points out that such future-oriented statements provide no guarantee for the future and that actual events including the financial position and profitability of the Gerresheimer Group and developments in the economic and regulatory fundamentals may vary substantially (particularly on the down side) from those explicitly or implicitly assumed or described in these statements. Even if the actual results for the Gerresheimer Group, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with such future-oriented statements in this Interim Report, no guarantee can be given that this will continue to be the case in the future.

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