Q1 2024 Trading Statement

SIG Group AG

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Alternative performance measures

For additional information about the alternative performance measures used by management, including reconciliations to measures defined in IFRS, please refer to this link https://www.sig.biz/investors/en/performance/definitions

Some financial information in this presentation has been rounded and, as a result, the figures shown as totals in this presentation may vary slightly from the exact arithmetic aggregation of the figures that precede them.

Q1 2024 business summary

Stable volume, initial signs of recovery, progress on future production footprint and continued innovation

Revenue performance

Volume growth in aseptic and chilled carton

Bag-in-box & spouted pouch sales growth impacted by high Q1 2023 comparison

No Group impact from resin escalator in Q1

Strategic investments to support future growth

Transfer of Shanghai chilled plant to new state-of-the-art production facility at Suzhou Industrial Park.

Construction of Indian sleeves plant well under way and completion expected by year-end

Aseptic filling technology innovation

Speed up kits launched in India:

- 10% increase in output on installed single serve fillers
- increasing output with minimal associated capex for SIG or customer

Financing

Moody's upgrade to Ba positive

S&P rating remains investment grade at BBB-/stable

Refinancing of 2025 maturities underway

Q1 2024 financial summary

Performance reflects expected phasing throughout the year

Revenue
€722 million

(1.0)%

reported

0.0%

constant currency

0.0%

constant currency & constant resin(1)

Adjusted EBITDA

€155

million
(Q1 2023: €175 m)

Adjusted net income

€40

million
(Q1 2023: €65 m)

Free cashflow

€(101)

million
(Q1 2023: €(95) m)

Adjusted EBITDA margin

21.5%

(Q1 2023: 24.0%)

Net capital investment

€(63)

million
(Q1 2023: €(87) m)

Leverage

2.9x

(Q4 2023: 2.7x)

(1) The resin escalator for the bag-in-box and spouted pouch businesses, which passes on movements in resin costs directly to customers, is excluded for year-on-year comparison purposes.

Q1 2024 regional summary

Europe and India, Middle East and Africa

Europe

(€ million)	Q1 2024
Revenue	251
Revenue growth (constant currency)	5.8%

- Revenue growth at constant currency and constant resin 6.2%
- Strong aseptic carton volume growth
- Continue to win new filler contracts in liquid dairy and food
- High prior year bag-in-box & spouted pouch revenue comparison including equipment sales that were not repeated

India, Middle East and Africa

(€ million)	Q1 2024
Revenue	91
Revenue growth (constant currency)	(4.7)%

- Revenue growth at constant currency and constant resin (4.5)%
- Strong aseptic carton volume growth in India
- Deliveries to North Africa delayed due to Red Sea disruptions
- Bag-in-box industrial demand impacted by high prior year comparison. First MEA bag-in-box win in food service (aseptic systems solution)

Q1 2024 regional summary
Asia Pacific and Americas

Asia Pacific

(€ million)	Q1 2024
Revenue	**185**
Revenue growth (constant currency)	**7.9%**

- Revenue growth at constant currency and constant resin 8.1%
- China reflects strong recovery in aseptic and chilled carton volumes following COVID-19 impact in Q1 2023. Both aseptic and chilled packaging gaining market share in milk.
- Good volume recovery in March in Indonesia, Thailand and Vietnam. Strong demand for new filling lines during the period.

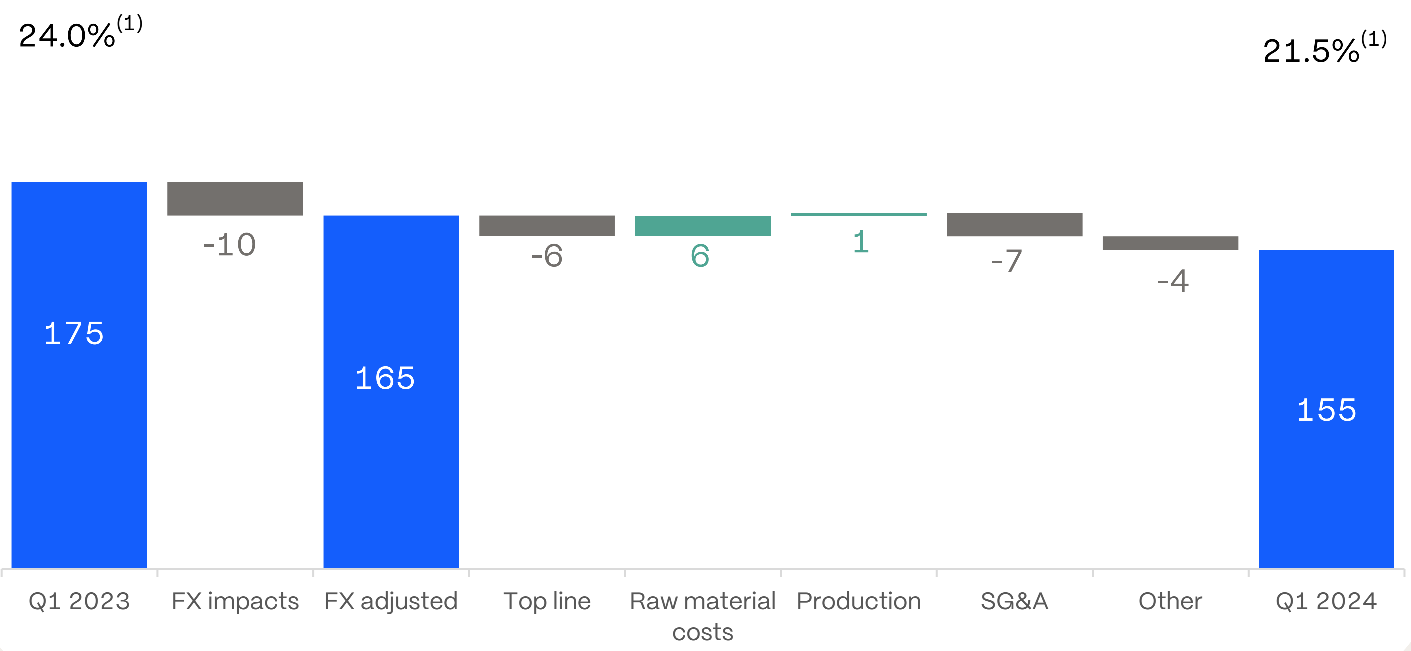
Americas

(€ million)	Q1 2024
Revenue	**195**
Revenue growth (constant currency)	**(10.5)%**

- Revenue growth at constant currency and constant resin (11.1)%
- High prior year comparison for bag-in-box & spouted pouch. Menu price inflation temporarily impacting demand in out-of-home dining
- Four filling lines won with major supplier to Starbucks: two aseptic carton & two bag-in-box lines (system solutions)
- Brazil saw good aseptic carton performance in March. Continued expansion in South America outside Brazil in NSCD and flavored milk

Q1 2024 adjusted EBITDA bridge

Margin recovery expected from Q2 2024



- FX headwinds compared to prior year
- Top line impacted by unfavorable mix
- Raw material benefit from lower hedged prices for polymers and aluminum
- Production includes lower freight rates and non-repeat of ramp-up costs in Mexico offset by wage inflation
- SG&A reflects growth investment, R&D and wage inflation

(1) Adjusted EBITDA as % of revenue

EBITDA reconciliation

€ million	Three months ended March 31, 2024	Three months ended March 31, 2023
EBITDA	**134**	**166**
Adjustments to EBITDA:		
Unrealized (gain)/loss on operating derivatives	(2)	1
Restructuring costs, net of reversals	5	2
Integration costs	1	4
Change in fair value of contingent consideration	1	3
Impairment losses	16	-
Adjusted EBITDA	**155**	**175**

- €19.1 million[(1)] of adjustments relate to restructuring and impairment charges for the relocation of the chilled carton plant
- Shanghai premises to be sold
- Impairment charge relates to decline in Chinese real estate values

(1) €15.6 million net of tax

Net income reconciliation

€ million	Three months ended March 31, 2024	Three months ended March 31, 2023
Profit for the period	**(7)**	**23**
Non-cash foreign exchange impact of non-functional currency loans and realized foreign exchange impact due to refinancing	1	2
Amortization of transaction costs	1	1
Net change in fair value of financing-related derivatives	-	1
PPA depreciation and amortization – Onex acquisition	26	26
PPA amortization – Other acquisitions	12	12
Adjustments to EBITDA	21	9
Tax effect on above items	(14)	(9)
Adjusted net income	**40**	**65**

Free cash flow

Reflects Q1 seasonality

€ million	Three months ended March 31, 2024	Three months ended March 31, 2023
Net cash from operating activities	**8**	**30**
Acquisition of property, plant and equipment and intangible assets (net of sales)	(93)	(114)
Payment of lease liabilities	(15)	(11)
Free cash flow	**(101)**	**(95)**

PP&E and intangible assets	37	51
Filling lines and other related equipment	57	63
Capital expenditure	**93**	**114**
Upfront cash	(31)	(27)
Net capital expenditure	**63**	**87**
Net capex as % of revenue	8.7%	11.9%

- Free cash flow broadly inline with prior year period
- Lease liability payment reflects increase in right of use assets for new production sites
- Net capex reduced by €25 million
- Lower PP&E capex given near completion of several projects
  - PP&E capex weighted towards H1 in 2024
- Net capex for filling line construction reduced by €10 million due to
  - €4 million higher upfront cash payments
  - €6 million lower filling line expenditure

Leverage and financing

Net leverage reflects seasonality but remains below 3x

€ million	Mar 31, 2024	Dec 31, 2023
Gross debt	**2,548**	**2,458**
Cash	266	281
Net debt	**2,282**	**2,177**
Net leverage ratio (last 12 months)	**2.9x**	**2.7x**

- Year-on-year improvement in net leverage (March 31, 2023: 3.1x)
- Group expects to reduce net leverage to around 2.5x by year-end 2024
- Refinancing of 2025 maturities commenced

2024 guidance confirmed

H1 reflects seasonality volume recovery accelerating in H2

Revenue growth (constant currency)	4–6%	Low end of the range
Adjusted EBITDA margin	25-26%	Within lower half of the range
Adjusted effective tax rate	26-28%	
Net CAPEX (% revenue)	7-9%	
Dividend payout ratio (of adjusted net income)	50-60%	

- Resin escalator for bag-in-box & spouted pouch not included in guidance
- Guidance subject to end-market recovery in H2, input cost and forex volatility
- On track to reduce leverage to around 2.5x by year end

Thank you!

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