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FULL CONSOLIDATION  
OF MEA BUSINESS TO  
ACCELERATE GROWTH

**INVESTOR  
PRESENTATION**

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25 NOVEMBER 2020

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EBITDA, a measure used by our management to measure operating performance, is defined as profit (loss) before net finance expense, income tax expense, depreciation of property, plant and equipment and right-of-use assets, and amortisation of intangible assets.

Adjusted EBITDA is defined as EBITDA adjusted to exclude certain non-cash transactions and items of a significant or unusual nature including, but not limited to, transaction- and acquisition-related costs, restructuring costs, unrealised gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write-downs and share of profit or loss of joint ventures, and to include the cash impact of dividends received from joint ventures.

Adjusted net income is defined as profit or loss adjusted to exclude certain items of significant or unusual nature, including, but not limited to, the non-cash foreign exchange impact of non-functional currency loans, amortization of transaction costs, the net change in fair value of financing-related derivatives, purchase price allocation depreciation and amortization, adjustments made to reconcile EBITDA to adjusted EBITDA and the estimated tax impact of the foregoing adjustments.

Adjusted EBITDA and adjusted net income are not performance measures under IFRS, are not measures of financial condition, liquidity or profitability and should not be considered as alternatives to profit (loss) for the period, operating profit or any other performance measures determined or derived in accordance with IFRS or operating cash flows determined in accordance with IFRS.

Additionally, adjusted EBITDA is not intended to be a measure of free cash flow for management’s discretionary use, as it does not take into account certain items such as interest and principal payments on our indebtedness, working capital needs and tax payments. We believe that the inclusion of adjusted EBITDA and adjusted net income in this presentation is appropriate to provide additional information to investors about our operating performance to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. Because not all companies calculate adjusted EBITDA, core revenue and adjusted net income identically, the presentation of these non-IFRS performance measures may not be comparable to other similarly titled measures in other companies.

For additional information about alternative performance measures used by management that are not defined in IFRS, including definitions and reconciliations to measures defined in IFRS, refer to the SIG 2020 Interim Report.

Please note that combismile is currently not available in Germany, Great Britain, France, Italy and Japan.

# OUR AGENDA AND PRESENTERS FOR TODAY

## 1. INTRODUCTION

Samuel Sigrist

## 2. TRANSACTION HIGHLIGHTS

Samuel Sigrist

## 3. SIG COMBIBLOC OBEIKAN BUSINESS OVERVIEW

Abdelghany Eladib

## 4. CONCLUDING REMARKS

Samuel Sigrist

## 5. Q&A

All



**Rolf Stangl**

Chief Executive Officer, SIG



**Samuel Sigrist**

Chief Financial Officer, SIG  
Chairman of SIG Combibloc Obeikan



**Abdelghany Eladib**

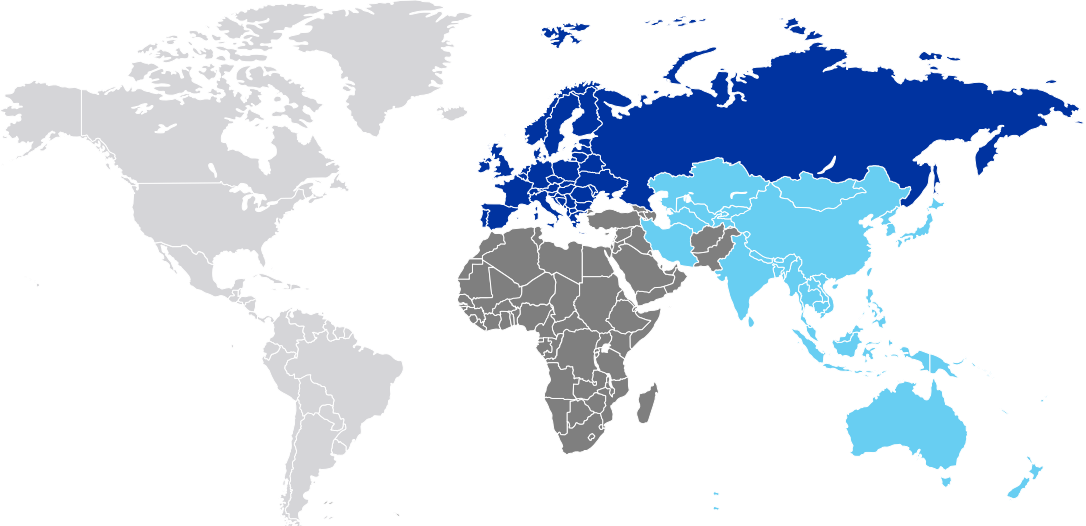
Chief Operating Officer  
of SIG Combibloc Obeikan

# INTRODUCTION



# SIG - LEADING SYSTEMS AND SOLUTIONS PROVIDER FOR ASEPTIC PACKAGING

## GLOBAL FOOTPRINT WITH INTEGRATED SUPPLY CHAINS

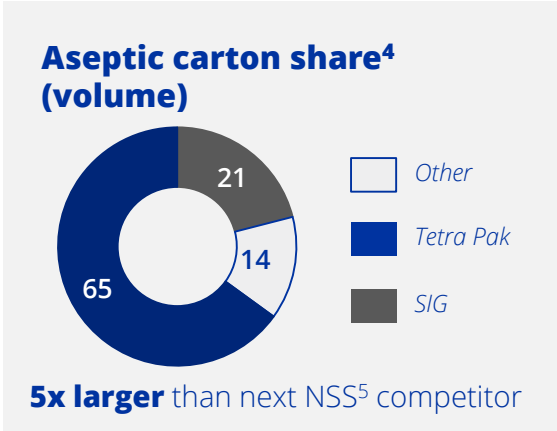
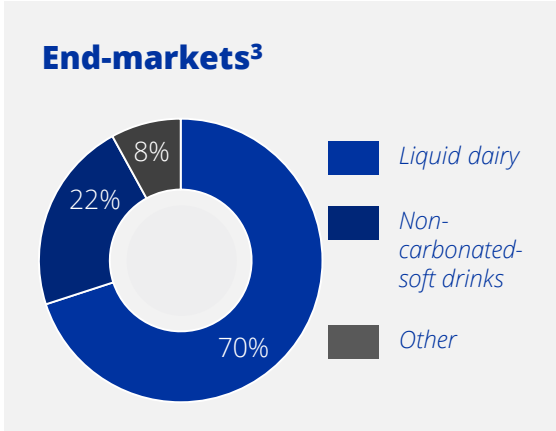


Americas	19% <sup>1</sup>	EMEA	44% <sup>1</sup>	APAC	38% <sup>1</sup>
Installed filler base <sup>2</sup> :	151	Installed filler base <sup>2</sup> :	678	Installed filler base <sup>2</sup> :	404
<b>SIG 16%</b> Tetra Pak 84%		<b>SIG 24%</b> Tetra Pak 71% Others 5%		<b>SIG 19%</b> Tetra Pak 58% Others 23%	

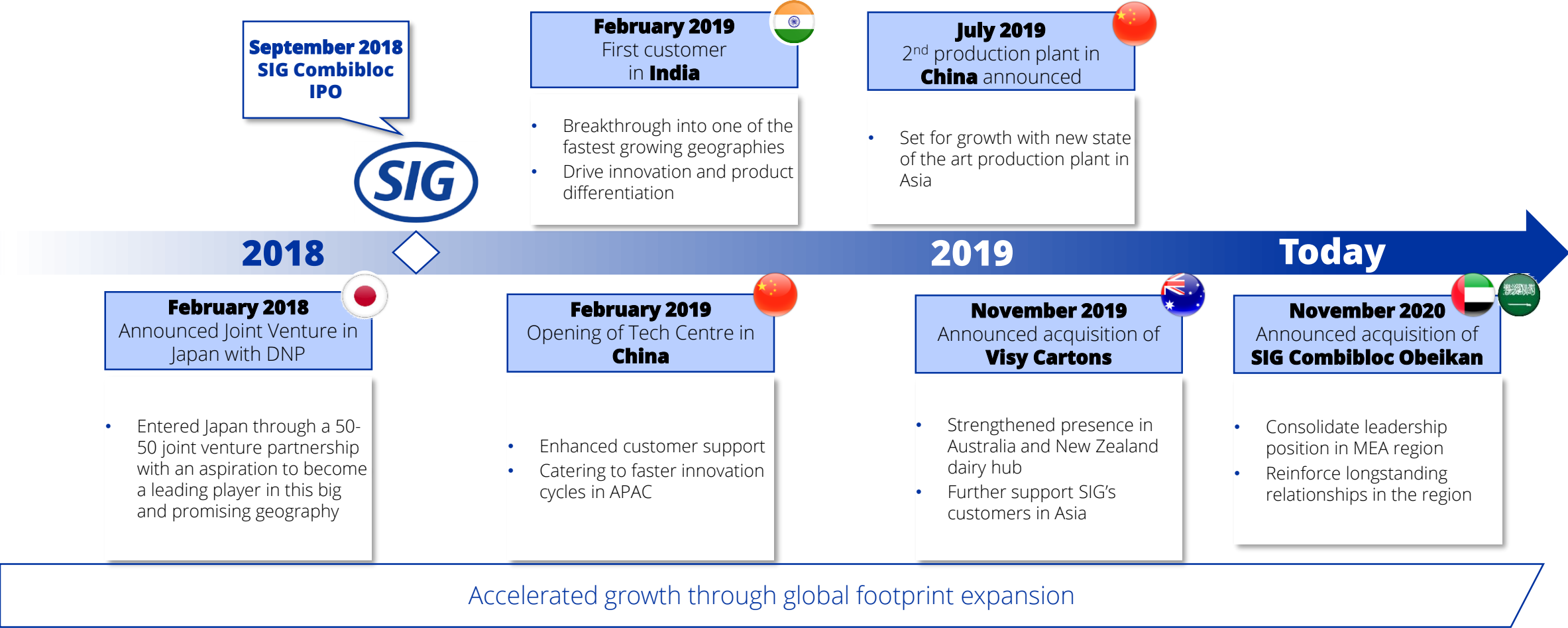
<sup>1</sup> Based on Sep-2020 LTM core revenue split. <sup>2</sup> Based on 2019. <sup>3</sup> Based on 2019 revenue; Other: food, wine, syrups, water, etc. <sup>4</sup> Share of global aseptic liquid dairy, non-carbonated soft drinks & aseptic/retort liquid food carton supply in core geographies excl. Japan, India, Peru, Argentina, Chile in 2018. <sup>5</sup> Short for Non-System Suppliers  
 Note: Financials and other statistics as of December 31, 2019 unless noted otherwise. Post-tax ROCE at actual tax rate is 24.1%. Source: Company information (FY 2019) and SIG Study. Totals might not add up due to rounding.

- #2 globally in resilient and growing end-markets
- Razor/razor-blade business model with long-term customer relationships
- Around **1,250 fillers** in the field

- Core revenue €1.77bn<sup>2</sup>
- Adj. EBITDA margin 27.2%<sup>2</sup>
- Post-tax ROCE 22.8%<sup>2</sup>
- Track record of growth and margin expansion



# SIG'S FOCUS ON EXPANDING ITS GLOBAL FOOTPRINT – KEY RECENT MILESTONES



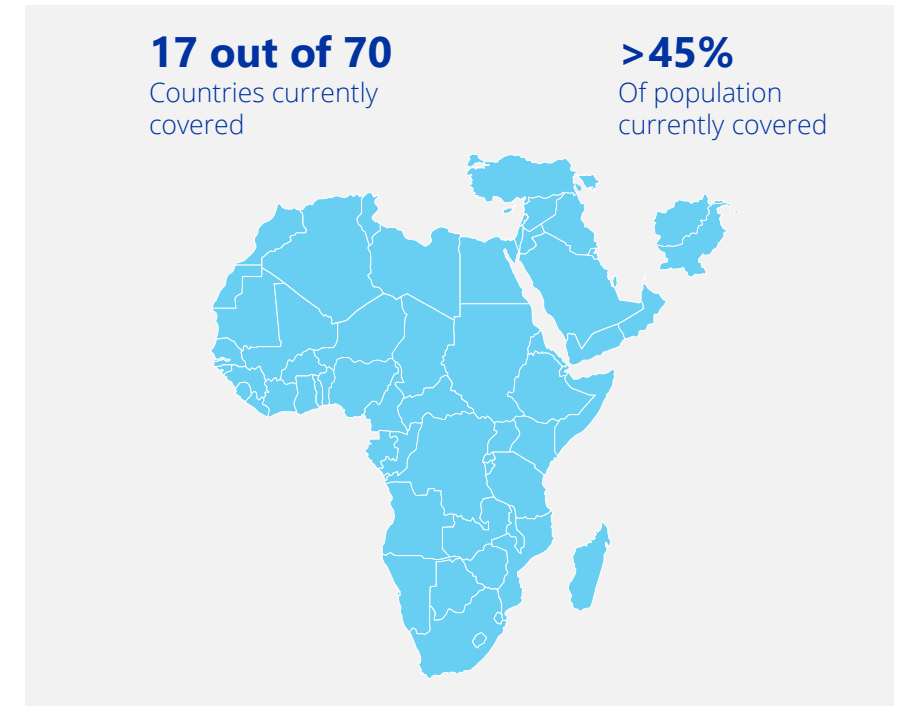
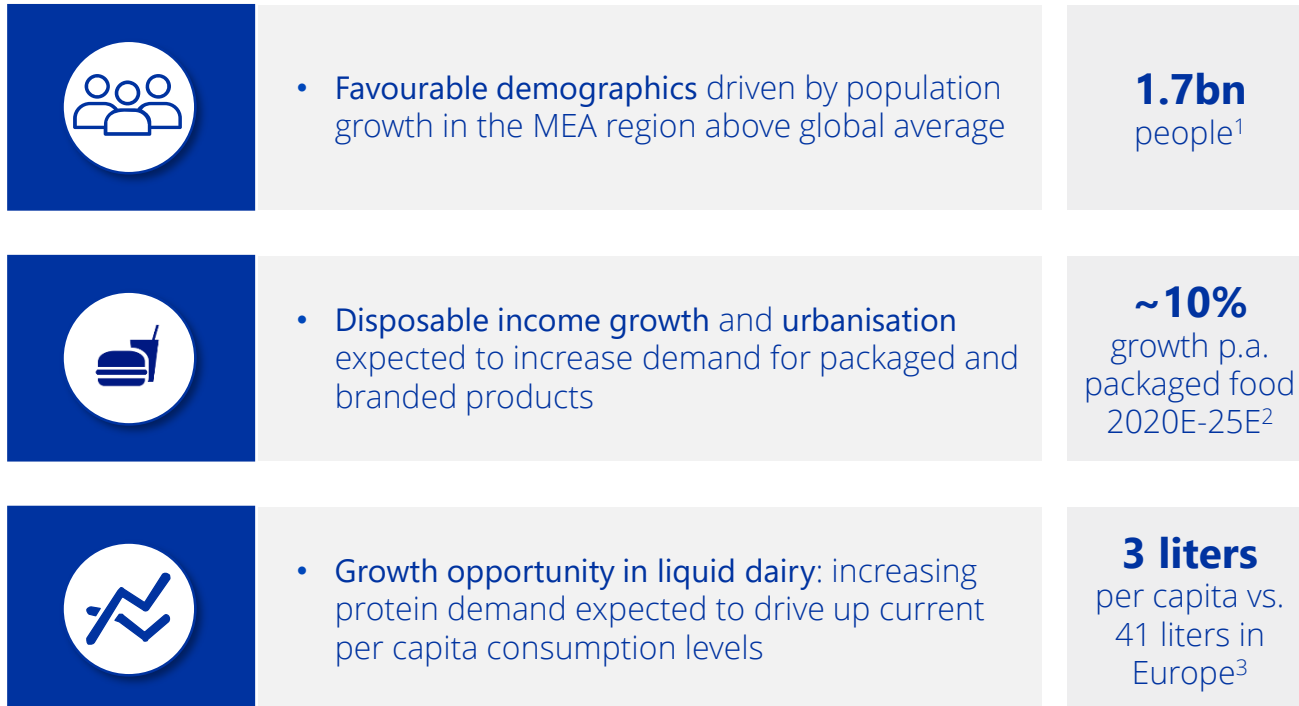


# EMBRACING THE GROWTH IN OUR MEA BUSINESS

## TRANSACTION BRINGS SIG CLOSER TO CUSTOMERS IN MEA

### ATTRACTIVE GROWTH DRIVEN BY ECONOMIC AND CONSUMER FUNDAMENTALS...

### ... WITH MULTIPLE WHITE SPACE OPPORTUNITIES



Source: World Bank, CIA World Factbook, SIG Intelligence, Euromonitor. Note: MEA region defined in line with the World Bank's Middle East & North Africa, Sub-Saharan Africa country group including Turkey and Afghanistan and excluding Malta. <sup>1</sup> As of 2019. <sup>2</sup> Based on Euromonitor Passport retail value RSP estimates. MEA region data based on Algeria, Angola, Egypt, Iraq, Kenya, Kuwait, Nigerian, Oman, Pakistan, Qatar, Saudi Arabia, South Africa, Tunisia and Turkey. <sup>3</sup> Based on 2019 ambient white milk consumption. Data based on company analysis and Euromonitor.

# TRANSACTION HIGHLIGHTS





# TRANSACTION OVERVIEW

## Overview

- SIG to acquire the remaining 50% of its Middle East JV SIG Combibloc Obeikan (“MEA JV”) and gain full operational control

## Consideration

- Price paid at completion as combination of cash and SIG shares
  - €167 million in cash, plus
  - Fixed number (17.5m) of newly issued SIG shares, corresponding to approximately 5% ownership on a pro-forma fully diluted basis

## Governance

- Mr. Abdallah Al Obeikan (CEO of OIG<sup>1</sup>), to be nominated for election to the Board of Directors of SIG at the next Annual General Meeting subject to completion of the transaction prior to the AGM as the closing condition
- Abdelghany Eladib, currently Chief Operating Officer of SIG Combibloc Obeikan, will join SIG’s Group Executive Board as President & General Manager, Middle East & Africa - subject to completion of the transaction

## Financing

- Cash component financed by available cash balances and existing credit facilities
- Leverage broadly unchanged

## Closing

- Expect to close in Q1 2021, subject to customary closing conditions including competition authority approvals

<sup>1</sup> Obeikan Investment Group

# TRANSACTION RATIONALE FOR SIG



Expands global presence in a region with strong growth prospects



Well-invested footprint (fillers and sleeves production)



Opportunity to continue to leverage SIG technology to meet evolving consumer needs



Full operational control of business with a very attractive growth and financial profile



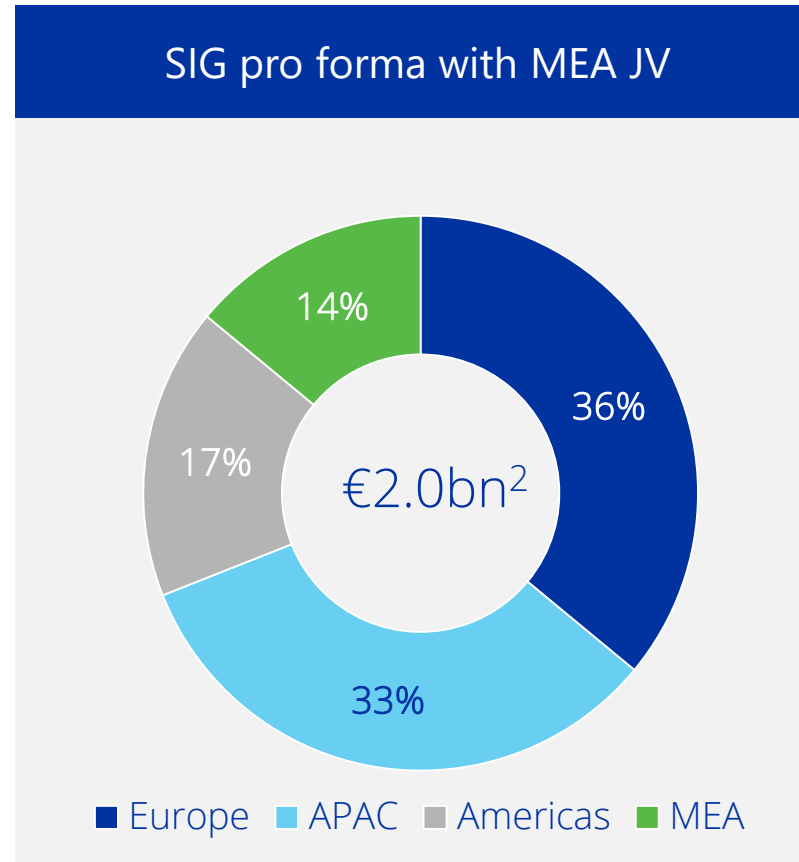
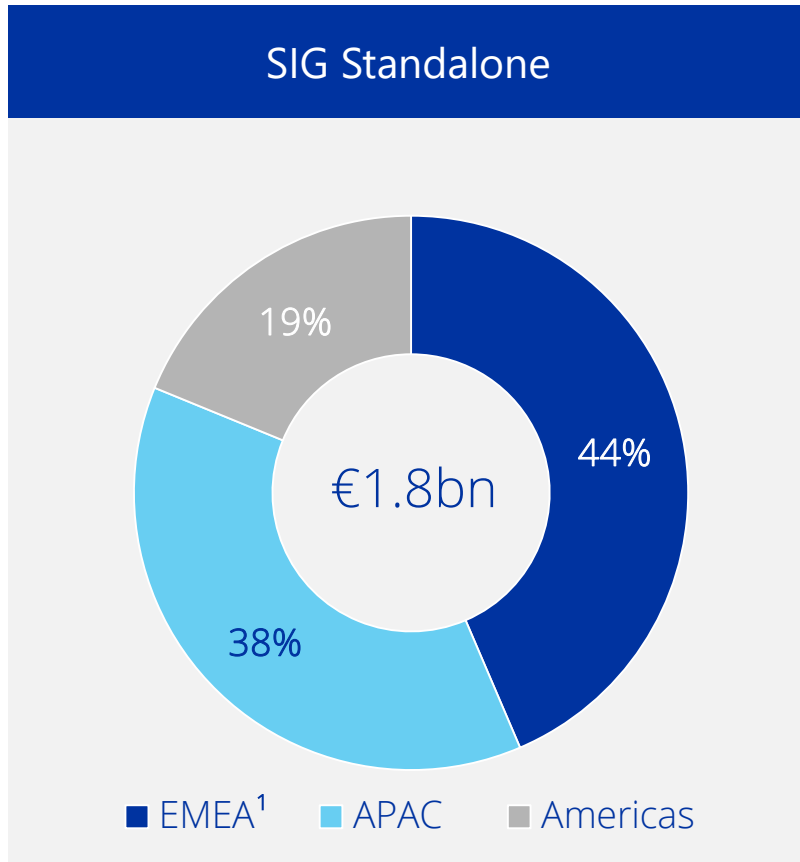
Opportunity to deploy cash flows at an attractive ROCE



Free cash flow and earnings per share accretive; leverage broadly unchanged

Note: Free cash flow is defined as net cash from operating activities plus dividends received from joint ventures less capital expenditure and payments of lease liabilities

# ENHANCED GLOBAL GEOGRAPHIC REACH



## More diversified geographic mix

MEA as a new separate segment representing 14% of total revenue

Consolidates SIG's leading position in the Middle East and Africa

## Higher growth driven by access to attractive geographies

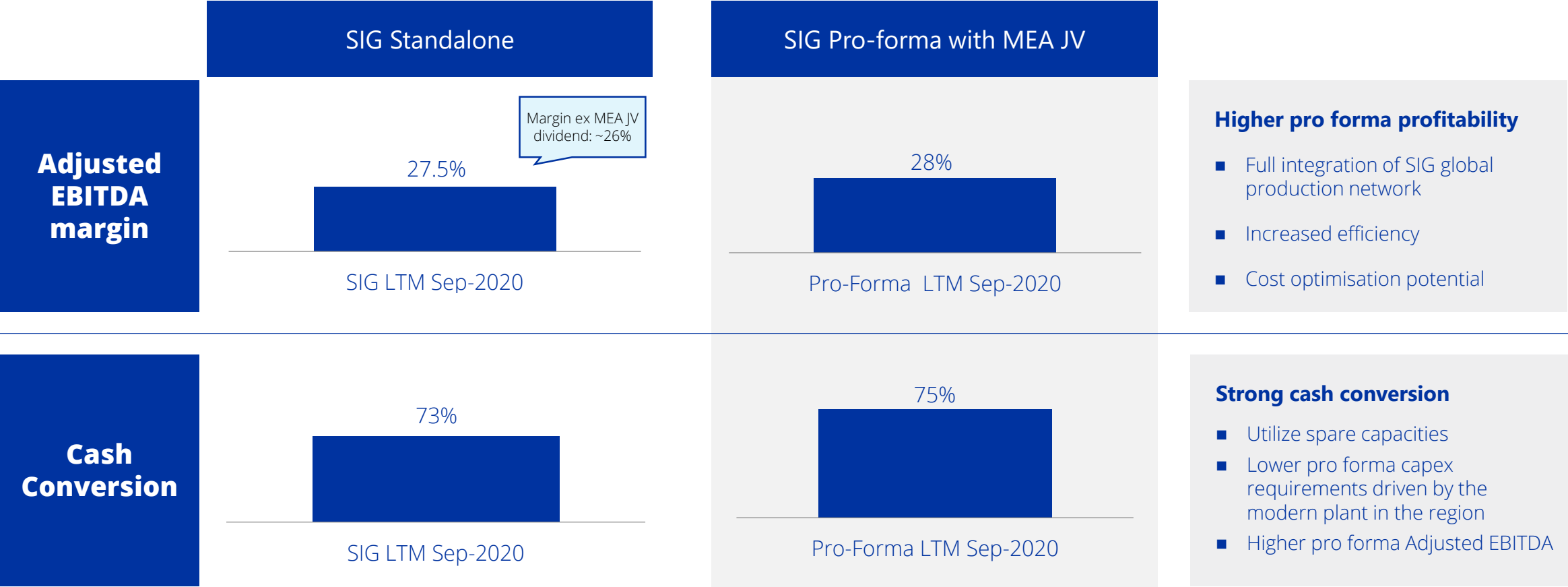
Positive macro long-term trends in the region expected to support SIG's overall growth

Access to a well-invested footprint with further geographic expansion opportunities

Combination creates a higher growth business and access to attractive geographies

Note: Pie charts based on Sep-2020 LTM core revenues. Totals might not add up due to rounding. <sup>1</sup> Europe including deliveries to MEA region. <sup>2</sup> Net of approximately €105m of inter-company revenues eliminations.

# STRENGTHENED MARGIN AND CASH FLOW PROFILE

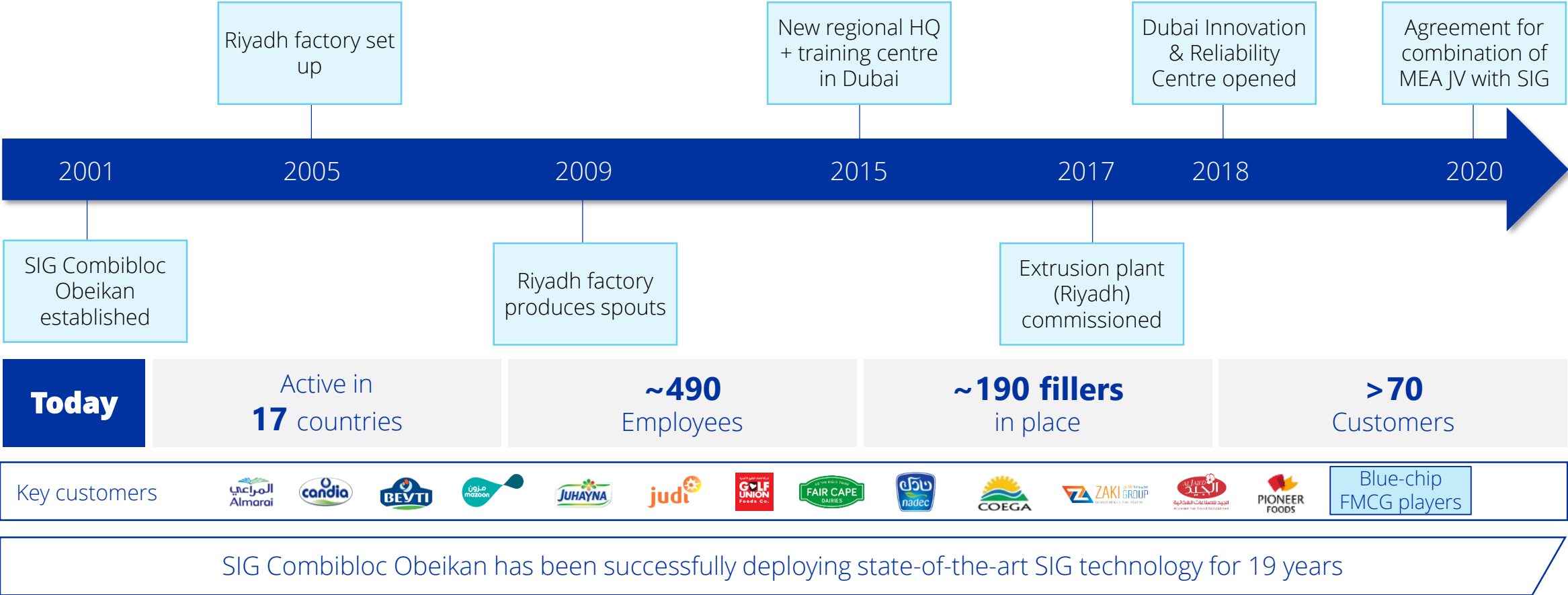


Combination creates a more transparent business with strong margin and cash flow profile

Note: Cash conversion calculated as (adjusted EBITDA-net capital expenditure) / adjusted EBITDA. Net capital expenditure defined as capital expenditure less upfront cash.



# STRONG FOUNDATION OF THE MEA JV...

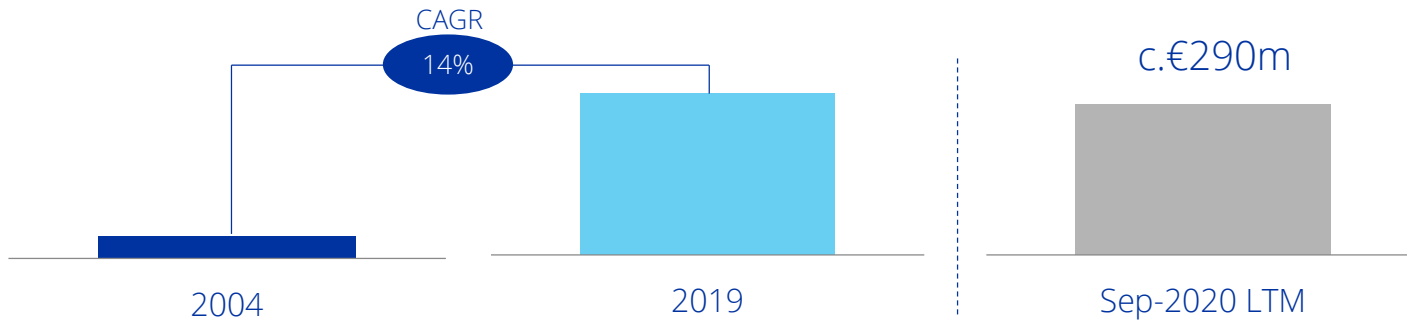


<sup>1</sup> SIG Combibloc Obeikan's customer base comprises an increasing number of global accounts in addition to regional accounts

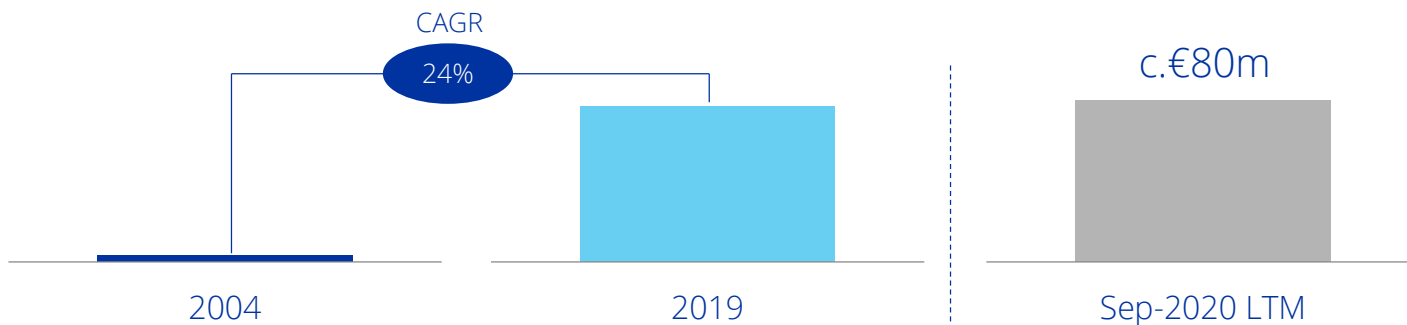


# ....HAS DRIVEN A TRACK RECORD OF HIGH AND PROFITABLE GROWTH

## Last 15 Years Revenue Growth



## Last 15 Years Adjusted EBITDA Growth



## Key Drivers of Growth

- Average of 13 new fillings lines placed since 2004 per year
- Accelerated growth in South Africa
- Increasing share of wallet with key customers
- Accelerated product innovation to meet customer needs
- Entry into packaged food



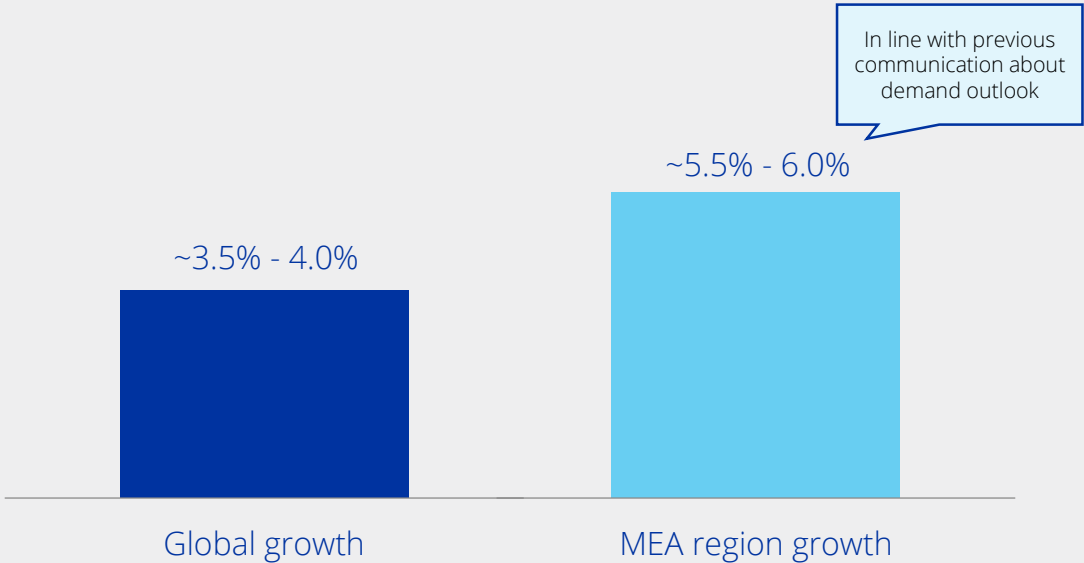
**SIG**  
**COMBIBLOC**  
**OBEIKAN**  
**BUSINESS**  
**OVERVIEW**





# SECULAR TRENDS DRIVING ROBUST GROWTH IN MEA REGION

## ASEPTIC CARTON SEGMENT 2020E-2025E (LITERS)



## KEY REGIONAL TRENDS DRIVING A CONSISTENT GROWTH OUTLOOK

-  Population growth
-  Rising disposable incomes
-  Convenience & urbanisation
-  Affordability & cash outlay
-  Food safety, health & quality focus
-  More women in the workforce
-  Higher demand for packaged and branded products
-  Increasing focus on sustainability

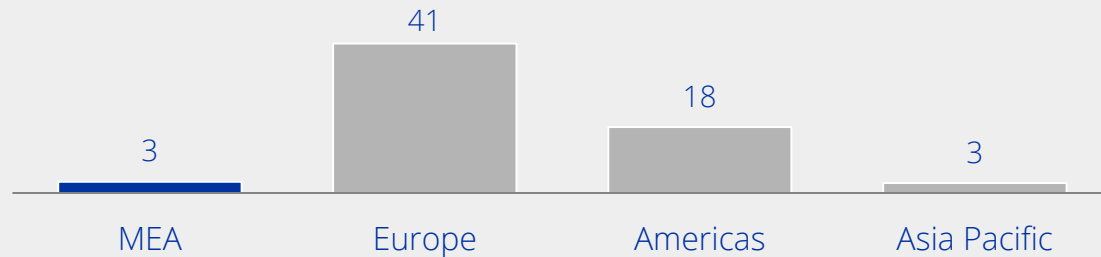
MEA region presents attractive growth opportunities driven by mega trends

Source: Company information and SIG study

# GROWING EXPOSURE TO LIQUID DAIRY CUSTOMERS

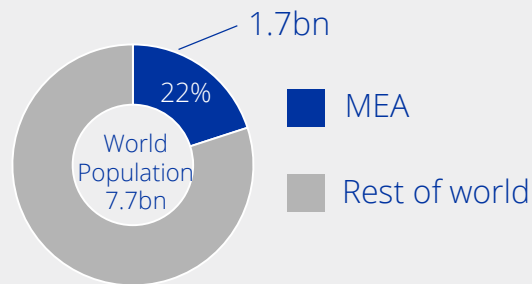
## SIGNIFICANT GROWTH POTENTIAL AHEAD

### PER CAPITA CONSUMPTION OF AMBIENT WHITE MILK (2019, LITERS)

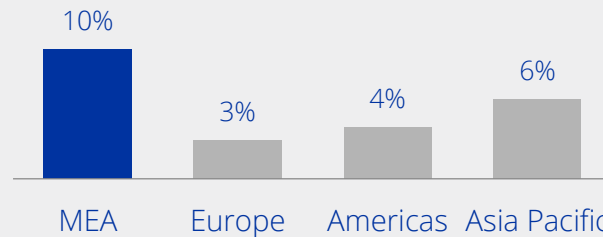


### MEA REGION IS SIZEABLE AND GROWING

Sizeable MEA region with 1.7bn population  
*Population of MEA vs. rest of world<sup>1</sup>*



Packaged food growth p.a.  
(2020E-25E)<sup>2</sup>



### RECENT EXPANSION IN LIQUID DAIRY



Continuous expansion after UHT strategy change



Al Jaied partnering with SIG Combibloc Obeikan in Libya launching the first evaporated milk in aseptic carton



Omani Mazoon Dairy as new customer with a launch of a full range of liquid dairy products

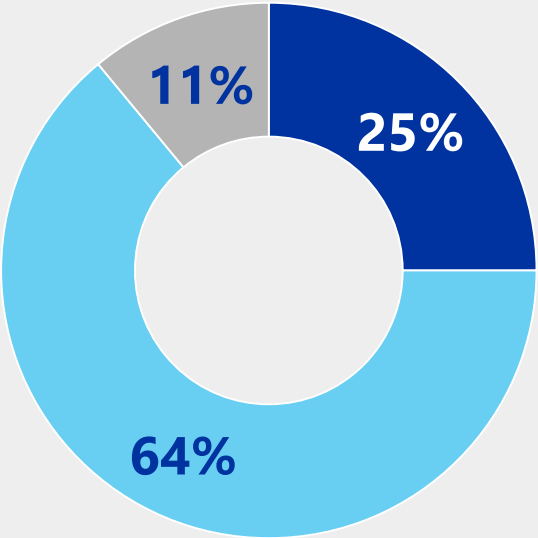


Continuing its expansion with Tchin Lait in Algeria

Source: SIG, World Bank, Euromonitor Passport. <sup>1</sup> Based on 2019 statistics and based on 7.7billion people in the world. MEA region defined in line with the World Bank's Middle East & North Africa, Sub-Saharan Africa country group including Turkey and Afghanistan and excluding Malta. <sup>2</sup> Based on Euromonitor Passport retail value RSP estimates. <sup>3</sup> JV with CoRo

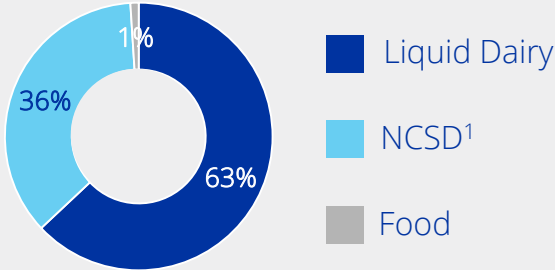
# STRONG POSITION IN THE MEA REGION

## ASEPTIC CARTON SHARE



■ SIG Combibloc Obeikan
 ■ Tetra Pak
 ■ Others

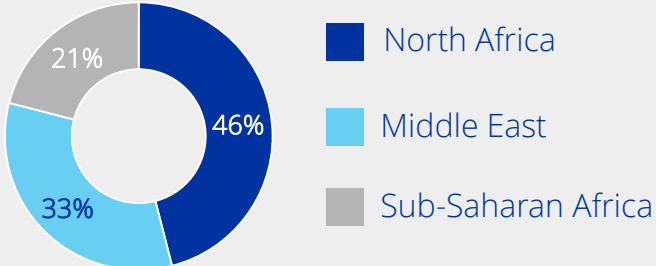
## MEA JV END MARKETS SPLIT



■ Liquid Dairy  
■ NCS D<sup>1</sup>  
■ Food

Exposure to **more resilient** liquid dairy end customers

## MEA JV GEOGRAPHIC SPLIT



■ North Africa  
■ Middle East  
■ Sub-Saharan Africa

Diversified geographic mix with significant **white space opportunities**

Note: Pie charts data based on 2019 aseptic carton liters. <sup>1</sup> Non-carbonated soft drinks.



# WELL ESTABLISHED REGIONAL FOOTPRINT

## RIYADH PLANT – REGIONAL HUB TO BE FULLY INTEGRATED INTO GLOBAL NETWORK

### Regional footprint

**17**

Countries with active operations

**10**

Total number of sales & services offices and plant

**~€290m**

Sep-2020 LTM revenue



### Focus on responsibility and quality

#### SIG CEO Safety Excellence Award 2020

- ✓ Over 2.5m **“safe” man hours** achieved in 2020
- ✓ **High quality of safety leadership**, team engagement and effective BBS and life-saving rules

#### SEDEX member

- ✓ Regular **audit of working conditions**, health and environmental protection, and ethical business practices
- ✓ Satisfies global brands’ high quality **supplier selection criteria**

#### ISO certified

- ✓ Quality management systems (**ISO 9001:2015**)
- ✓ Environmental management systems (**ISO 14001:2015**)
- ✓ Occupational health & safety management systems (**ISO 45001:2018**)

#### FSC certified

- ✓ Sourcing raw materials from FSC approved suppliers
- ✓ **Protecting and preserving the environment**

#### BRCGS certified

- ✓ **First paper packaging company in Middle East** to achieve the highest possible rating (AA+)

Note: In addition to the certifications listed above, SIG Combibloc Obeikan also possesses a Modon licence, PME licence, and radiation licence.

SEDEX = Supplier Ethical Data Exchange; ISO = International Organization for Standardization; FSC = Forest Steward Ship Council; BCRGS = Brand Reputation Compliance Global Standards

# STRONG CUSTOMER BASE



Note: FMCG = Fast-moving Consumer Goods. <sup>1</sup> Leading customers defined as 1<sup>st</sup> or 2<sup>nd</sup> player in each region based on 2019 liters. <sup>2</sup> Part of PepsiCo. <sup>3</sup> JV of Almarai and PepsiCo <sup>4</sup> JV with CoRo

# WELL POSITIONED TO CAPTURE FUTURE GROWTH

## THREE KEY SUCCESS FACTORS OF SIG COMBIBLOC OBEIKAN

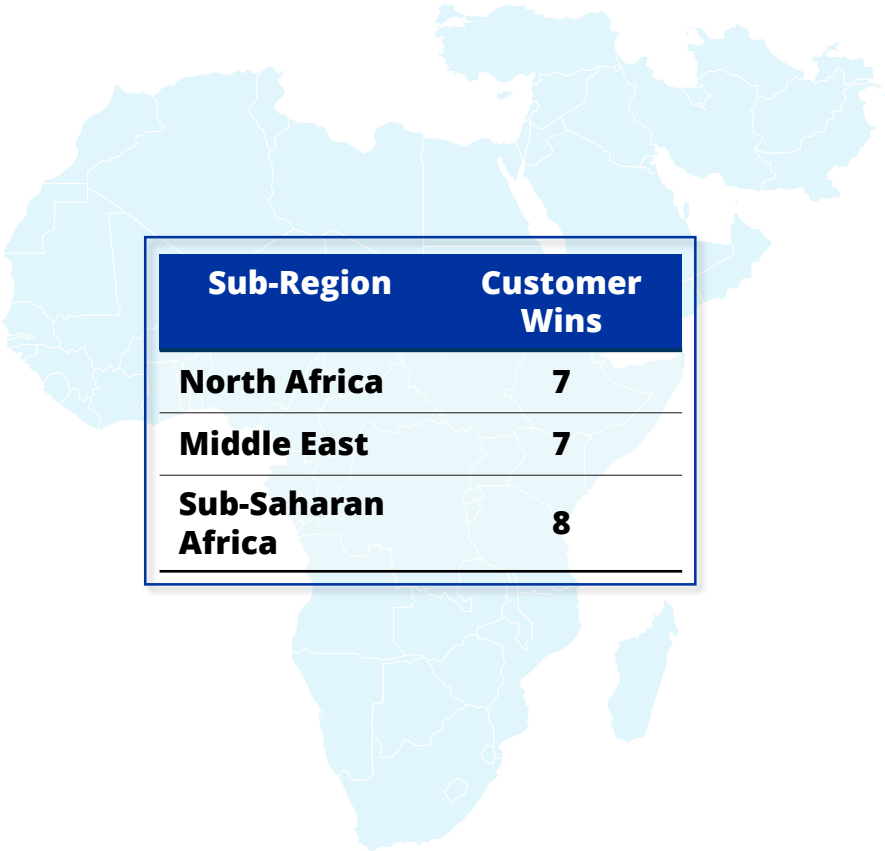
	 <b>INNOVATION</b>	 <b>FLEXIBILITY</b>	 <b>TECHNICAL SUPPORT</b>
<b>CUSTOMER TREND</b>	<p><b>PREMIUMISATION</b></p> <ul style="list-style-type: none"> <li>Increasing competition is driving need for innovation</li> <li>Customers seek convenience at no / little additional costs</li> </ul>	<p><b>SIZE FLEXIBILITY</b></p> <ul style="list-style-type: none"> <li>Down-sizing trend in Nigeria as a result of the need to keep price points despite rising costs</li> </ul>	<p><b>OPERATIONAL EFFICIENCY</b></p> <ul style="list-style-type: none"> <li>Increased competition drives need for operational excellence</li> </ul>
<b>EXAMPLE</b>	<p></p> <p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>Trend towards “on the go” consumption</li> </ul> <p><b>Solution</b></p> <ul style="list-style-type: none"> <li>combismile, drinksplus option</li> </ul> <p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>✓ Successful relaunch of innovative product</li> <li>✓ Adds scale and differentiation for client</li> </ul>	<p></p> <p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>Reduce costs without losing shelf perception</li> </ul> <p><b>Solution</b></p> <ul style="list-style-type: none"> <li>Launch of 125ml combiblocMini pack</li> </ul> <p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>✓ Better shelf appearance than cans</li> <li>✓ Entry into Ghana secured</li> </ul>	<p></p> <p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>Create real time performance transparency to react faster</li> </ul> <p><b>Solution</b></p> <ul style="list-style-type: none"> <li>Plant 360AM and manufacturing excellence offering</li> </ul> <p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>✓ Reduced down-time for client</li> <li>✓ Improved asset health for client</li> </ul>

# SUCCESSFUL CUSTOMER WINS

## EFFECTIVE SALES STRATEGY



22 CUSTOMERS WINS IN THE LAST 5 YEARS



### APPROACH TO NEW CUSTOMERS

#### CUSTOMER OPPORTUNITIES

- Value-based **customer segmentation** (hunter – farmer approach)
- **Investment Matrix** defined to ensure strategic fit

#### STRONG & EMPOWERED TEAM

- **Well-trained** sales force based on a comprehensive curriculum
- Strong **cooperation** between sales and service teams

#### SOLUTIONS OFFERINGS – CUSTOMER NEEDS

- Customised **solutions** offering
- Centrally orchestrated product launch process and **playbooks**

#### VALUE FOR CUSTOMERS

- **Value-based pricing**
- **Performance-based contracts** enabling value for customers

#### CUSTOMER SATISFACTION

- Strong and improving **customer satisfaction** levels



# CONCLUDING REMARKS



# CONCLUDING REMARKS

## KEY TRANSACTION HIGHLIGHTS



### ENHANCED ACCESS TO HIGH GROWTH MEA REGION

- Consolidate leading position in a region with strong growth prospects
- Compelling growth opportunities from white spaces
- Key industry trends driving resilient and consistent growth



### COMPLEMENTARY BUSINESS MODEL

- Innovative product solutions addressing customer needs
- Sustainable and responsible business model
- Integration expected to be seamless due to longstanding relationship



### ACCELERATED GROWTH AND PROFITABILITY

- Expected to increase SIG's overall growth and margins
- Attractive ROCE
- Enhancing to earnings; leverage broadly unchanged

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**THANK YOU**

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