MEDIA RELEASE

4 May 2021
SIG Combibloc Group AG ("SIG")

Strong Q1 performance: full year outlook maintained

First quarter 2021 highlights

- Core revenue on a like-for-like basis up 13.4% at constant currency, up 9.2% as reported
- Middle East and Africa (MEA) business fully consolidated from end of February 2021
- Customer re-stocking in Asia Pacific following a soft fourth quarter in 2020
- Americas growth driven by fillers deployed in 2020 and by re-stocking
- Europe continued to benefit from high at-home consumption
- Adjusted EBITDA margin 26.1% (Q1 2020: 21.3%): lower currency volatility

Revenue performance:[1] Q1 2021

	Three months ended 31 March 2021	Three months ended 31 March 2020	Change		Like-for-like change including MEA	
(In € million or %)			Reported currency	Constant currency	Reported currency	Constant currency
Core revenue	442.0	389.6	13.4%	17.8%	9.2%	13.4%
Total revenue	451.3	392.9	14.9%	19.3%	10.6%	14.8%

Key performance indicators: Q1 2021

(In € million or %)	Three months ended 31 March 2021	Three months ended 31 March 2020
Adjusted EBITDA	117.9	83.7
Adjusted EBITDA margin	26.1%	21.3%
EBITDA	93.1	67.2
Adjusted net income	52.0	12.9
Net income	2.9	(25.5)
Free cash flow	(6.5)	16.2

[1] 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, the change in our calculation methodology for constant currency and a definition of like-for-like growth rates please refer to the link below:
https://reports.sig.biz/annual-report-2020/services/glossary.html

Revenue by region: Q1 2021

(In € million or %)	Three months ended 31 March 2021	Three months ended 31 March 2020	Change Reported currency	Change Constant currency
EMEA*	119.3	180.9		
Europe*	60.4			
MEA*	29.3			
APAC	147.7	136.8	8.0%	11.4%
Americas	82.1	68.1	20.7%	41.6%
Group Functions	3.2	3.8		
Core revenue from transactions with external customers	**442.0**	**389.6**	**13.4%**	**17.8%**
Revenue from sales of folding box board	9.3	3.3		
Total revenue	451.3	392.9	14.9%	19.3%

* Two months' revenue for EMEA in 2021; one month's revenue for Europe and MEA in 2021

With effect from the end of February, revenues of the former Middle East & Africa joint ventures are fully consolidated and presented in a new segment, Middle East and Africa (MEA). On a like-for-like basis, the combined Europe and MEA segments registered growth of 4.4% in the quarter. The Europe, Middle East and Africa (EMEA) segment relates to the Group's reporting structure prior to acquisition of the MEA business, which was in place for the first two months of the year.

In the first two months of the year, Europe saw good growth compared with the first two months of 2020, reflecting a continuing high level of at-home consumption due to COVID-19 restrictions. Relative performance in March was weaker due to the high base of comparison, as March 2020 marked the start of lockdowns in Europe.

The MEA business saw strong constant currency sales growth in March with a recovery in consumption, particularly of non-carbonated soft drinks.

In Asia Pacific (APAC), both China and South East Asia registered double digit growth at constant currency. In China, the market operated at more normal levels compared with the first quarter of 2020, when the country was in full lockdown. In South East Asia, many countries continue to be affected by COVID-19 restrictions and the resulting economic impact. However, after a period of de-stocking in the second half of 2020, customers rebuilt safety stocks in the first quarter of 2021, resulting in a spike in demand for cartons which is expected to be temporary.

The Americas saw exceptional growth reflecting the contribution of fillers deployed in the course of 2020. There was also a positive effect from re-stocking as many customers did not enter into the customary year-end rally in the fourth quarter of 2020. At-home consumption continued to drive demand across the region.

EBITDA and adjusted EBITDA

Adjusted EBITDA increased to €117.9 million in the first quarter of 2021 and the adjusted EBITDA margin was significantly higher at 26.1%. The margin benefited from lower raw material costs due to hedge contracts entered into during 2020. There was also a benefit from the non-recurrence of a currency revaluation impact on the balance sheet at the end of the first quarter of 2020, arising from the sharp depreciation of emerging market currencies at that time. The inclusion of adjusted EBITDA from the MEA business for one month was, as previously communicated, partly offset by the fact that no dividend was received from the former joint ventures in the first quarter of 2021.

Reported EBITDA increased to €93.1 million from €67.2 million in the first quarter of 2020. Higher restructuring costs in Q1 2021 reflected decommissioning and redundancy costs relating to the announced closure of the Whakatane paper mill in New Zealand.

Net income and adjusted net income

Adjusted net income increased to €52.0 million from €12.9 million in Q1 2020. The increase primarily reflects the improvement in adjusted EBITDA and lower foreign exchange impacts.

Net income was €2.9 million compared with a loss of €25.5 million in Q1 2020. The increase in net income in 2021 reflected the non-recurrence of foreign exchange losses in 2020 and a positive contribution from the revaluation of commodity derivatives. These were offset by costs related to the closure of the mill in New Zealand.

Due to the short time since the acquisition of the remaining shares in the former Middle East joint ventures, net income and adjusted net income in the first quarter of 2021 do not include any impacts from the acquisition accounting relating to the MEA business or any potential gain on the previously held interest in the acquired joint ventures.

Dividend

The Annual General Meeting held on Wednesday 21 April 2021 approved a dividend distribution out of the capital contribution reserve of CHF 0.42 per share for the year 2020 (2019: CHF 0.38 per share). This increased dividend was paid on a higher number of shares (337.5 million) following the issue of 17.5 million new shares to the former joint venture partner Obeikan Investment Group (OIG) relating to SIG's acquisition of the Middle East joint ventures. The total dividend, paid out on 28 April, was €128 million. The payout ratio at 55% was within the targeted range of 50-60% of full year adjusted net income.

Free cash flow

(In € million)	**Three months ended 31 March 2021**	**Three months ended 31 March 2020**
Net cash from operating activities	**57.8**	**73.2**
Dividends received from joint ventures	-	2.5
Acquisition of PP&E and intangible assets	(58.2)	(56.7)
Payment of lease liabilities	(6.1)	(2.8)
Free cash flow	**(6.5)**	**16.2**

Net cash from operating activities was lower as favourable working capital movements registered in the first quarter of 2020 did not recur. Lease liability payments were higher following the opening of a new production plant in the APAC region.

The Group's cash generation is weighted towards the second half of the year due to the seasonality of the business. The fourth quarter has historically been the largest quarter in terms of revenue and profit. In the first quarter cash flow is reduced as volume rebates accrued in the previous year are paid out.

Leverage

At the end of February, SIG paid €167 million to OIG, representing the cash component of the consideration for OIG's 50% share in the Middle East joint ventures. The Company also assumed €36 million of net indebtedness (excluding lease liabilities) from the Middle East joint ventures. Notwithstanding these movements, net leverage at end-March 2021 was unchanged compared with end-December 2020.

(In € million)	**As of 31 March 2021**	**As of 31 Dec. 2020**
Gross total debt	1,831.5	1,697.0
Cash and cash equivalents[1]	255.0	355.1
Net total debt	1,576.5	1,341.9
Total net leverage ratio (last twelve months)[2]	**2.7x**	**2.7x**

[1] Includes restricted cash.
[2] Net total debt divided by LTM adjusted EBITDA. LTM adjusted EBITDA for 2021 includes the LTM adjusted EBITDA of the acquired joint ventures and SIG and deducts the dividend SIG received from the joint ventures in the LTM period.

Production plants

In April the Company announced that it will construct a new plant in Queretaro, Mexico to serve North American markets. The plant will further expand SIG's global production network and will enable the Company to build on its strong track record of growth in North America. SIG will invest around €40 million in the new plant over the period 2021–2023, with the land and buildings financed through a long-term lease with a net present value currently estimated at approximately €20 million. The investment will cover state-of-the-art production capacity for the printing, cutting and finishing of carton packs.

The Company has reviewed its APAC production assets in the light of the recent opening of its new plant in China. The decision has been taken to close the production plant in Melbourne, Australia which was part of the Visy Cartons acquisition in 2019. A consultation process with employees regarding the proposed closure has commenced. The Australia and New Zealand markets can be efficiently supplied from the plants in China and Thailand. Production is expected to finish by the end of 2021 with the site vacated during 2022.

Full year outlook

The factors driving strong revenue growth in the first quarter of 2021, notably re-stocking in APAC and the Americas, are not expected to continue for the rest of the year. In Europe and the Americas, where the business has benefited from high at-home consumption, performance from the second quarter onwards will be measured against a high base in 2020. COVID-19 restrictions and economic uncertainty in South East Asia continue to affect on-the-go consumption in this region.

Full year guidance is therefore unchanged. On a like-for-like basis the combined business, including the MEA business from March onwards, is expected to achieve core revenue growth at constant currency in the lower half of the 4-6% range. Assuming no major deterioration in exchange rates, the adjusted EBITDA margin is expected to be in the 27-28% range. Net capital expenditure is forecast to be within the targeted 8-10% of revenue range in 2020 and mid-term.

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About SIG

SIG is a leading systems and solutions provider for aseptic carton packaging. We work in partnership with our customers to bring food and beverage products to consumers around the world in a safe, sustainable and affordable way. Our unique technology and outstanding innovation capacity enable us to provide our customers with end-to-end solutions for differentiated products, smarter factories and connected packs, all to address the ever-changing needs of consumers. Sustainability is integral to our business and we are going Way Beyond Good to create a net positive food packaging system.

Founded in 1853, SIG is headquartered in Neuhausen, Switzerland. The skills and experience of our more than 5,500 employees worldwide enable us to respond quickly and effectively to the needs of our customers in over 60 countries. In 2020, SIG produced 38 billion carton packs and generated €1.8 billion in revenue. SIG has an AA ESG rating by MSCI, an 18.8 (low risk) score by Sustainalytics and a Platinum CSR rating by EcoVadis. For more information, visit www.sig.biz.

Disclaimer & cautionary statement

The information contained in this media release and in any link to our website indicated herein is not for use within any country or jurisdiction or by any persons where such use would constitute a violation of law. If this applies to you, you are not authorised to access or use any such information.

This media release contains "forward-looking statements" that are based on our current expectations, assumptions, estimates and projections about us and our industry. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "may", "will", "should", "continue", "believe", "anticipate", "expect", "estimate", "intend", "project", "plan", "will likely continue", "will likely result", or words or phrases with similar meaning. Undue reliance should not be placed on such statements because, by their nature, forward-looking statements involve risks and uncertainties, including, without limitation, economic, competitive, governmental and technological factors outside of the control of SIG Combibloc Group AG ("SIG", the "Company" or the "Group"), that may cause SIG's business, strategy or actual results to differ materially from the forward-looking statements (or from past results). For any factors that could cause actual results to differ materially from the forward-looking statements contained in this media release, please see our offering circular for the issue of notes in June 2020. SIG undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise. It should further be noted that past performance is not a guide to future performance. Please also note that quarterly results are not necessarily indicative of the full-year results. Persons requiring advice should consult an independent adviser

The declaration and payment by the Company of any future dividends and the amounts of any such dividends will depend upon SIG's ability to maintain its credit rating, its investments, results, financial condition, future prospects, profits being available for distribution, consideration of certain covenants under the terms of outstanding indebtedness and any other factors deemed by the Directors to be relevant at the time, subject always to the requirements of applicable laws.

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

In this media release, we utilise certain alternative performance measures, including but not limited to core revenue, EBITDA, adjusted EBITDA, adjusted EBITDA margin, net capex, adjusted net income, free cash flow and net leverage ratio that in each case are not defined in International Financial Reporting Standards ("IFRS"). These measures are presented as we believe that they and similar measures are widely used in the markets in which we operate as a means of evaluating a company's operating performance and financing structure. Our definition of and method of calculating the alternative performance measures stated above may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles, are not measures of financial condition, liquidity or profitability and should not be considered as an alternative to profit from operations for the period or operating cash flows determined in accordance with IFRS, nor should they be considered as substitutes for the information contained in our consolidated financial statements. You are cautioned not to place undue reliance on any alternative performance measures and ratios not defined in IFRS included in this media release. For definitions of alternative performance measures and their related reconciliations that are not included in this media release, please refer to the following link

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The following table reconciles profit or loss to EBITDA and adjusted EBITDA.

(In € million)	**Three months ended 31 March 2021**	**Three months ended 31 March 2020**
Profit / (loss) for the period	**2.9**	**(25.5)**
Net finance expense	8.4	19.7
Income tax expense	10.0	1.9
Depreciation and amortisation	71.8	71.1
EBITDA	**93.1**	**67.2**
Adjustments to EBITDA:		
Replacement of share of profit of joint ventures with cash dividends received from joint ventures	1.9	(0.9)
Restructuring costs, net of reversals	28.2	0.3
Unrealised gain on derivatives	(13.1)	15.3
Transaction- and acquisition-related costs	6.0	0.8
Impairment losses	0.6	-
Other	1.2	1.0
Adjusted EBITDA	**117.9**	**83.7**

The table below is a summary of the reconciliation of profit or loss for the period to adjusted net income.

(In € million)	**Three months ended 31 March 2021**	**Three months ended 31 March 2020**
Profit / (loss) for the period	**2.9**	**(25.5)**
Non-cash foreign exchange impact of non-functional currency loans and realised foreign exchange impact due to refinancing	(6.2)	-
Amortisation of transaction costs	0.9	0.7
Net change in fair value of derivatives	3.7	(1.0)
Net effect of early repayment of term loans	3.7	-
Onex acquisition PPA depreciation and amortisation	28.9	33.5
Adjustments to EBITDA[1]	24.8	16.5
Tax effect on above items	(6.7)	(11.3)
Adjusted net income	**52.0**	**12.9**

[1] The adjustments made to EBITDA are detailed in the "EBITDA and adjusted EBITDA" table above.