MEDIA RELEASE

28 February 2023
SIG Group AG ("SIG", the "Company" or the "Group")

Strong revenue growth and high level of filler placements

Full year 2022 highlights

- Fourth quarter constant currency revenue growth 39.9%, constant currency organic revenue growth 9.8%
- Full year constant currency revenue growth 27.4%, constant currency organic revenue growth 8.0%
- Volume growth and successful implementation of price increases (~4.5% yoy), protecting absolute EBITDA
- Adjusted EBITDA margin 23.5% (2021: 27.7%) reflecting dilution from acquisitions, price increases and uncovered cost inflation – continuing to be offset through price increases in 2023
- Over 90 filling machines placed in 2022 and strong pipeline of placements for 2023
- 2023 outlook: 20-22% revenue growth at constant currency, 50-150 bps increase in adjusted EBITDA margin
- Mid-term guidance maintained
- Proposed dividend of CHF 0.47 per share (2021: CHF 0.45), paid from the foreign capital contribution reserves

Revenue performance: 2022

(In € million or %)	Year ended 31 Dec. 2022	Year ended 31 Dec. 2021	Change: Reported currency	Change: Constant currency	Organic growth[1]: Constant currency
Revenue	2,779.9	2,061.8	34.8%	27.4%	8.0%

[1]Organic growth of the Group represents SIG revenue growth, excluding the impacts of the acquisitions of Scholle IPN and Evergreen Asia.

Key performance indicators: 2022

(In € million or %)	Year ended 31 Dec. 2022	Year ended 31 Dec. 2021
Adjusted EBITDA	652.2	570.6
Adjusted EBITDA margin	23.5%	27.7%
EBITDA	481.5	562.4
Adjusted net income	286.8	265.7
Net income[1]	37.8	172.1
Free cash flow	263.1	258.3

[1]After acquisition-related expenses.

Samuel Sigrist, CEO of SIG, said: "In 2022, in line with our ambition to be the global leader in sustainable packaging for liquid food and beverages, we expanded our offering of systems and solutions. Following the acquisitions of Scholle IPN and Evergreen Asia, the offering now includes bag-in-box and spouted pouch, as well as chilled carton in Asia, in addition to our full range of aseptic carton solutions. The acquisitions broaden our platform for growth, with many opportunities to build on our proven strategy of geographic, category and channel expansion.

The aseptic carton business delivered robust organic growth of 8% for the year, a combination of volume and price, with share gains in multiple markets. Our customers continue to invest in new filling machines even in an uncertain economic environment, and this will underpin our growth for many years to come.

Integration of the acquired companies is well underway and already yielding initial revenue synergies. We will leverage our significant investments in R&D and exploit the many opportunities of our combined portfolio to continue our track record of industry firsts in innovation and sustainability to deliver ever better packaging. We aim to sustain the highest environmental, social and governance standards across the Group. 2022 saw further recognition of our ESG achievements, with our selection as a partner for WWF Switzerland and our inclusion in the FTSE4Good index."

Revenue performance: Q4 2022

(In € million or %)	Three months 31 Dec. 2022	Three months 31 Dec. 2021	Change Reported currency	Change Constant currency	Organic growth[1] Constant currency
Revenue	866.5	589.3	47.0%	39.9%	9.8%

[1]Organic growth of the Group represents SIG revenue growth, excluding the impacts of the acquisitions of Scholle IPN and Evergreen Asia.

Key performance indicators: Q4 2022

(In € million or %)	Three months 31 Dec. 2022	Three months 31 Dec. 2021
Adjusted EBITDA	192.9	169.4
Adjusted EBITDA margin	22.3%	28.7%
EBITDA	118.9	148.7
Adjusted net income	84.1	86.2
Net income[1]	(38.1)	43.7

[1]After acquisition-related expenses.

Revenue by region: 2022

(In € million or %)	Year ended 31 Dec. 2022	Year ended 31 Dec. 2021	Change Reported currency	Change Constant currency	Organic growth[1] Constant currency
EMEA[4]	-	119.3			
Europe[2, 4]	849.4	615.7			4.4%
MEA[2, 4]	331.5	251.9			12.1%
APAC[3]	900.0	705.6	27.5%	19.1%	7.8%
Americas	697.4	365.6	90.7%	66.4%	11.5%
Group Functions	1.6	3.7			
Total revenue	2,779.9	2,061.8	34.8%	27.4%	8.0%

[1]Organic growth represents SIG revenue growth, excluding the impacts of the acquisitions of Scholle IPN and Evergreen Asia.

[2]Organic growth, adjusted also for the impacts of the consolidation of the former Middle East joint ventures.

[3]Organic growth, adjusted also for the impacts of the paper mill divestment in 2021.

[4]Two months' revenue for EMEA in 2021, ten months' revenue for Europe and MEA in 2021.

Revenue by region: Q4 2022

(In € million or %)	Three months ended 31 Dec. 2022	Three months ended 31 Dec. 2021	Change Reported currency	Change Constant currency	Organic growth[1] Constant currency
Europe	243.5	199.5	22.1%	21.9%	3.9%
MEA	98.0	90.8	8.1%	1.7%	1.7%
APAC	302.7	201.6	50.1%	44.1%	17.1%
Americas	221.5	97.2	127.9%	96.0%	13.1%
Group Functions	0.8	0.2			
Total revenue	866.5	589.3	47.0%	39.9%	9.8%

[1]Organic growth represents SIG revenue growth, excluding the impacts of the acquisitions of Scholle IPN and Evergreen Asia.

Consolidation of Scholle IPN and Evergreen Asia

The acquisition of Scholle IPN was completed on 1 June 2022 and the acquisition of Evergreen Asia was completed on 2 August 2022. Both businesses have been consolidated from the respective completion date.

Full year revenue by region

In **Europe**, the ramp-up of 15 filling machines recently placed at a large German customer, together with market share gains in Spain, drove liquid dairy sales. Growth of non-carbonated soft drinks was driven by the launch of formats for on-the-go consumption. Customer market share gains in Poland drove volume improvements through the launch of new products. The contribution from price increases accelerated during the year. Overall, Europe was impacted by the loss of sales to Russia which reduced the European growth rate by approximately 300 basis points for the year (120 basis points for the Group). The acquisition of bag-in-box and spouted pouch contributed €87.7 million to the European revenue growth in 2022 (€35.9 million in Q4 2022).

The **Middle East and Africa** saw strong growth compared with 2021, which was adversely impacted by COVID-19 and by drought in South Africa. A strategic push to increase SIG's presence in liquid dairy packaging has been very successful, with share gains in South Africa and Saudi Arabia as well as new business in Egypt. SIG is also a leader in sustainability in the region with the launch of Recycle for Good in Egypt, the first such initiative in this country. Bag-in-box and spouted pouch do not as yet have a significant presence in the region, SIG intends to expand these product lines going forward.

In **Asia Pacific**, the aseptic carton business in China was resilient in a market affected by COVID-19 lockdown measures. Sales of soy milk contributed to revenue growth and there were launches of new plant-based milk alternatives. In 2022, there were 42 filling machine wins in APAC, which included further gains in India, where SIG now serves all the leading customers for dairy and non-carbonated soft drinks. Bag-in-box, spouted pouch and chilled carton contributed €105.2 million to the revenue growth in APAC in 2022 (€56.7 million in Q4 2022).

The strong organic revenue growth in **the Americas** was driven by price increases and ongoing volume momentum, especially for liquid dairy in Brazil and Mexico. In the USA and Canada there was high demand for broths in aseptic carton, and bag-in-box gained market share in a buoyant food service market. The acquisition of bag-in-box and spouted pouch contributed €229.9 million to the revenue growth in the Americas in 2022 (€93.7 million in Q4 2022).

Overall bag-in-box, spouted pouch and chilled carton contributed €422.8 million to Group revenue in 2022 (€186.3 million in Q4 2022). Resin escalator clauses, automatically pass-through higher polymer costs to customers, and offset the increase in these costs for bag-in-box and spouted pouch.

EBITDA and adjusted EBITDA

	Year ended 31 Dec. 2022		**Year ended 31 Dec. 2021**	
(In € million or %)	**Adjusted EBITDA margin**[1]	**Adjusted EBITDA**	**Adjusted EBITDA margin**[1]	**Adjusted EBITDA**
EMEA[2]			32.2%	38.4
Europe[2]	23.7%	201.4	33.1%	203.7
MEA[2]	26.0%	86.3	31.1%	78.5
APAC	31.0%	278.7	30.0%	211.8
Americas	20.2%	141.1	26.5%	96.7
Group Functions		(55.3)		(58.5)
Total	23.5%	652.2	27.7%	570.6

[1]Adjusted EBITDA divided by revenue from transactions with external customers.

[2]Two months' adjusted EBITDA for EMEA in 2021, ten months' adjusted EBITDA for Europe and MEA in 2021.

Adjusted EBITDA increased to €652.2 million in 2022 (2021: €570.6 million) including initial contributions by Scholle IPN from June and by Evergreen Asia from August. The adjusted EBITDA margin was 23.5% (2021: 27.7%) reflecting the consolidation of the acquired businesses, the dilutive impact of price increases and higher input costs which have yet to be fully offset. The successful implementation of price increases to compensate for the higher input costs had a dilutive effect on the margin. Further price increases for 2023 are underway and are expected increasingly to offset the impact of cost inflation on absolute EBITDA.

The adjusted EBITDA margin in Q4 2022 of 22.3% is below the prior year due to margin dilution from the consolidation of the bag-in-box and spouted pouch businesses which performed strongly in the quarter. Higher reported revenue for the aseptic carton business included price increases of over 6% to cover input cost inflation, which continued at a high level in November and the first half of December. Revenue mix in the quarter was skewed by stronger sales in relatively lower margin segments and the strong volume growth led to an increase in accruals for volume rebates.

EBITDA in 2022 was impacted by unrealised hedging losses of €39.5 million and acquisition-related costs of €119.2 million. The acquisition-related costs include an incremental expense in the fourth quarter of €74.0 million as part of the remeasurement of the contingent consideration for Scholle IPN.

Net income and adjusted net income[1]

Adjusted net income in 2022 was €286.8 million compared with €265.7 million in 2021. The increase was primarily due to higher adjusted EBITDA, partly offset by incremental depreciation and higher interest expense. Adjusted EPS was unchanged at €0.79 per share despite an increase in the number of shares following the acquisitions.

Net income was €37.8 million in 2022 compared with €172.1 million in 2021. The decline was mainly due to the movements in EBITDA as explained above and to incremental depreciation and amortisation.

Capital expenditure[2]

Net capital expenditure was €144.0 million in 2022 (2021: €142.7 million), representing 5.2% of revenue. Investments in property, plant and equipment included the ramp-up of the Group's first aseptic carton plant in Mexico, which started commercial production in February 2023. This was offset by the sale of a production-related building as part of a footprint rationalisation in the Americas. Capital expenditure also included investments by the acquired companies and innovation-related development costs. High upfront cash collections from customers in the period reduced the level of net capital expenditure.

Free cash flow

(In € million)	**Year ended 31 Dec. 2022**	**Year ended 31 Dec. 2021**
Net cash from operating activities	**578.2**	**530.9**
Acquisition of PP&E and intangible assets (net of sales)	(280.6)	(245.9)
Payment of lease liabilities	(34.5)	(26.7)
Free cash flow[1]	**263.1**	**258.3**

[1]For the year ended 31 December 2022, the Group also considers proceeds from sales of PP&E, other than filling lines and other related equipment, and intangible assets in its calculation of free cash flow. See note 11 of the consolidated financial statements.

Free cash flow in 2022 was €263.1million (2021: €258.3 million) with a strong contribution from the aseptic carton business. Positive contributions from the businesses acquired and from net working capital movements were partly offset by acquisition-related costs, including higher interest due to the acquisition financing.

[1]For the year ended 31 December 2022, the Group has adjusted out of net income all PPA amortisation (net of tax) related to acquisitions. See note 9 of the consolidated financial statements.

[2]For the year ended 31 December 2022, the Group also considers proceeds from sales in its calculation of capital expenditure for PP&E (excluding filling lines and other related equipment) and intangible assets. See note 11 of the consolidated financial statements.

Dividend

At the Annual General Meeting to be held on 20 April 2023, the Board of Directors will propose a dividend of CHF 0.47 per share (2021: CHF 0.45 per share). At the exchange rate of 31 December 2022, this represents a dividend pay-out ratio of 64% of adjusted net income. If approved by the shareholders, the dividend will be paid from the foreign capital contribution reserves.

Leverage

(In € million)	As of 31 Dec. 2022[1]	As of 31 Dec. 2021[2]
Gross debt	2,684.1	1,732.4
Cash and cash equivalents	503.8	304.5
Net debt	**2,180.3**	**1,427.9**
Net leverage ratio	**3.1x**	**2.5x**

[1]In the calculation of the net leverage ratio as of 31 December 2022, adjusted EBITDA includes the adjusted EBITDA of Scholle IPN and Evergreen Asia from 1 January 2022.
[2]In the calculation of the net leverage ratio as of 31 December 2021, adjusted EBITDA includes the adjusted EBITDA of the former joint ventures in the Middle East from 1 January 2021.

Leverage increased compared with the end of 2021, primarily due to the financing of the Scholle IPN and Evergreen Asia acquisitions.

The placement of new shares in May generated gross proceeds of €204 million, a Schuldscheindarlehen placement for €650 million in June and a bank loan for $270 million agreed in July secured the long-term financing of the acquisitions and enabled the repayment of the acquisition bridge facilities used.

The Group signed a €400 million unsecured bridge loan facility agreement on 9 January 2023. The facility may be accessed in June 2023, when €450 million of the Group's senior unsecured notes are due for repayment.

The Company has a mid-term leverage target of towards 2.0x with an interim milestone of 2.5x at the end of 2024.

The first aseptic carton plant in India

The Group announced on 28 February 2023 that it will construct its first aseptic carton plant in India. Operations are planned to start towards the end of 2024. SIG will invest around €60 million to reach a production capacity of up to 4 billion packs per annum. In addition, land and buildings will be financed through a long-term lease with an NPV of approximately €30 million.

Outlook

For 2023, the Company expects revenue growth of 20-22% at constant currency. Scholle IPN and Evergreen Asia will be consolidated for an additional five months and seven months respectively. Organic revenue growth is expected to be 7-9%. Price increases in the carton business are expected to contribute to top-line growth (resin escalators for the bag-in-box and the spouted pouch businesses are not included in the guidance)[3].

The adjusted EBITDA margin is expected to increase by 50-150 basis points, implying a range of 24–25%. The expected improvement compared with 2022 is subject to input cost and foreign exchange volatility.

Net capital expenditure is forecast to be within a range of 7-9% of revenue and the dividend pay-out ratio is expected to be within a range of 50-60% of adjusted net income.

The Company maintains its mid-term revenue growth guidance of 4-6% at constant currency, with the two acquisitions expected to enable resilient growth in the upper half of this range across an expanded platform. For the enlarged group, the adjusted EBITDA margin is expected to be above 27% in the mid-term, driven by continued margin expansion in the aseptic carton business and the acquired businesses as well as the realisation of synergies from the acquisitions. Net capital expenditure is forecast to be within a range of 7-9% of revenue and the dividend pay-out ratio is expected to be within a range of 50-60% of adjusted net income. SIG's business is expected to continue to be strongly cash-generative, and the Company maintains its mid-term leverage guidance of towards 2x with a milestone of around 2.5x at the end of 2024.

2022 Annual Report

SIG today published its 2022 Annual Report. The Annual Report contains full details of the Company's extensive corporate responsibility actions and achievements, the Group's operating and financial results accompanied by SIG's audited consolidated and statutory financial statements, the Compensation Report outlining the compensation policies of the Group and the Corporate Governance Report.

The above publication is available from 07:00 CET today at https://reports.sig.biz/annual-report-2022. Hard copies can be ordered free of charge from SIG Group AG, Laufengasse 18, 8212 Neuhausen am Rheinfall, Switzerland.

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[3]Resin escalator clauses, automatically pass-through higher polymer costs to customers, and offset the increase in these costs for bag-in-box and spouted pouch.

About SIG

SIG is a leading packaging solutions provider for a more sustainable world. With our unique portfolio of aseptic carton, bag-in-box, and spouted pouch, 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 technology and outstanding innovation capabilities 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 approximately 9,000 employees worldwide enable us to respond quickly and effectively to the needs of our customers in over 100 countries. In 2022, SIG produced 49 billion packs and generated €3.1 billion in pro forma revenue (incl. Scholle IPN and Evergreen Asia unaudited revenue). SIG has an AA ESG rating by MSCI, a 13.4 (low risk) score by Sustainalytics and a Platinum CSR rating by EcoVadis. For more information, visit www.sig.biz

For insights into trends that drive the food and beverage industry, visit our SIGnals blog: https://www.sig.biz/signals/en

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 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.

The information contained in this media release are not an offer to sell or a solicitation of offers to purchase or subscribe for securities. This media release is not a prospectus within the meaning of the Swiss Financial Services Act nor a prospectus under any other 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 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.

Alternative performance measures

For additional information about alternative performance measures used by management (including reconciliations to measures defined in IFRS and the refined definitions of adjusted net income, free cash flow and net capital expenditure) is included in the consolidated financial statements for the year ended 31 December 2022.

Definitions of the Group's alternative performance measures can be found at the following link: https://www.sig.biz/investors/en/performance/definitions

The following table reconciles profit for the period to EBITDA and adjusted EBITDA.

(In € million)	Year ended 31 Dec. 2022	Year ended 31 Dec. 2021
Profit for the period	**37.8**	**172.1**
Net finance expense	26.0	31.4
Income tax expense	51.0	52.3
Depreciation and amortisation	366.7	306.6
EBITDA	**481.5**	**562.4**
Adjustments to EBITDA:		
Unrealised loss/(gain) on operating derivatives	39.5	(7.8)
Replacement of share of profit or loss of joint ventures with cash dividends received from joint ventures	-	1.6
Restructuring costs, net of reversals	4.9	26.0
Loss on sale of subsidiary	-	12.1
Transaction- and acquisition-related costs	24.1	16.5
Integration costs	17.1	2.5
Realised gain on settlement of deal contingent derivatives	(16.6)	-
Fair value adjustment on inventories	20.6	10.4
Change in fair value of contingent consideration	74.0	
Gain on pre-existing interest in former joint ventures	-	(48.8)
Out-of-period indirect tax recoveries	-	(10.3)
Impairment losses	6.3	4.4
Other	0.8	1.6
Adjusted EBITDA	**652.2**	**570.6**

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

(In € million)	Year ended 31 Dec. 2022	Year ended 31 Dec. 2021
Profit for the period	**37.8**	**172.1**
Non-cash foreign exchange impact of non-functional currency loans and realised foreign exchange impact due to refinancing	(4.6)	(10.6)
Amortisation of transaction costs	7.0	3.6
Net change in fair value of financing-related derivatives	(9.0)	-
Realised gain on settlement of deal contingent derivative (relating to repayment of loan)	(15.5)	-
PPA depreciation and amortisation – Onex acquisition	103.5	103.1
PPA amortisation – Other acquisitions[1]	34.1	14.1
Net effect of early repayment of loans	1.0	3.7
Interest on out-of-period indirect tax recoveries	-	(3.1)
Adjustments to EBITDA[2]	170.7	8.2
Tax effect on above items	(38.2)	(25.4)
Adjusted net income	**286.8**	**265.7**

[1]For the year ended 31 December 2022, the Group has adjusted out of net income all PPA amortisation (net of tax) related to acquisitions. See note 9 of the consolidated financial statements.

[2]For the different adjustments to EBITDA, refer to the adjusted EBITDA table above.