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BROADENING LEADERSHIP  
IN SUSTAINABLE PACKAGING  
SYSTEMS AND SOLUTIONS

# ACQUISITION OF SCHOLLE IPN

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1 February 2022



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EBITDA is defined as profit or 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, amortisation of transaction costs, the net change in fair value of financing-related derivatives, purchase price allocation ("PPA") depreciation and amortisation, adjustments made to reconcile EBITDA to adjusted EBITDA and the estimated tax impact of the foregoing adjustments. The PPA depreciation and amortisation arose due to the acquisition accounting that was performed when the Group was acquired by Onex in 2015. No adjustments are made for PPA depreciation and amortisation other than in connection with the Onex acquisition.

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, adjusted net income and other alternative performance measures in this presentation identically, they 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, the change in our calculation methodology for constant currency and a definition of like-for-like growth rates please refer to these links: <https://reports.sig.biz/annual-report-2020/services/glossary.htm>; <https://www.sig.biz/investors/en/performance/historical-financial-statements/>

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





# OUR AGENDA AND PRESENTERS FOR TODAY

## 1. Strategic rationale

Samuel Sigrist



### **Samuel Sigrist**

Chief Executive Officer, SIG

## 2. Scholle IPN: Leader in sustainable packaging

Ross Bushnell



### **Frank Herzog**

Chief Financial Officer, SIG

## 3. Financials

Frank Herzog

## 4. Concluding remarks

Samuel Sigrist

## 5. Q&A

Samuel Sigrist,  
Frank Herzog



### **Ross Bushnell**

Chief Executive Officer, Scholle IPN

# TRANSACTION OVERVIEW

## Overview

- SIG to acquire 100% of Scholle IPN
- Leading innovator in solutions for sustainable packaging, with LTM Dec 21 sales of €474M (~19% adj. EBITDA margin) & ~2,100 employees

## Consideration

- Enterprise value of €1.36BN; equity value of €1.05BN, funded through 33.75M newly issued SIG shares and €370M cash
- 14.5x FY21A adjusted EV/EBITDA, or 12.2x FY21A adjusted EV/EBITDA incl. run-rate cost synergies (€17M)

## Earn-out

- Earn out contingent upon superior value creation by Scholle IPN outperforming the top end of SIG medium term growth guidance range
- Payments gradually increasing up to €89M p.a. for 2023 to 2025 with growth outperformance between 6%-11.5%

## Governance

- Laurens Last, owner of Scholle IPN, will become the largest single shareholder in SIG with a 9.1% shareholding on a diluted basis
- Laurens Last to be nominated for election to the Board of Directors of SIG at the forthcoming 2022 AGM

## Planned financing

- Fully committed bridge financing facility secured for cash consideration and debt refinancing
- Capital increase of €200 - 250M achieve pro-forma ND/EBITDA of ~3.25x (YE 2021), commitment to mid-term leverage towards ~ 2x

## Closing

- Expect to close by Q2 / Q3 2022
- Subject to customary closing conditions

# COMPLEMENTARY BUSINESSES WITH RESILIENT END-MARKETS & SIMILAR BUSINESS MODELS



## Carton



Sales 2021<sup>1</sup>

€2,182M

Market position

#2



## Bag-in-box



Sales 2021<sup>2</sup>

€345M

Market position

#1



## Spouted-Pouch



Sales 2021<sup>2</sup>

€129M

Market position

#2



Market

**Resilient end-markets** based on demand for non-discretionary food and beverage products

**Growth above GDP** driven by favourable consumer demographics, convenience trend and urbanisation

Food and Beverage industry focus on **food safety, total cost of ownership and sustainability**

Business model

Portfolio of **blue chip customers** with long-term relationships

Full **system offering** supporting best-in-class TCO, quality and sustainability

**Deep integration** into customers' value chains

# COMPELLING FINANCIAL RATIONALE

## PLATFORM FOR VALUE CREATION



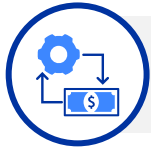
Accretive to cash flow per share and adj. EPS from first year after completion<sup>1</sup>



Going forward strong top line growth consistent with SIG mid-term guidance of 4-6%



Margin expansion of combined business: above 27% mid-term adj. EBITDA-margin potential



Margin expansion driven by joint innovation, improved geographic mix, cost synergies and scale effects



Strong cash generation of combined business enabling continuation of progressive dividend growth



Balanced financing structure with commitment to deleveraging towards ~2x maintained



# STRATEGIC RATIONALE





# COMBINATION CREATES RESILIENCE AND ATTRACTIVE GROWTH OPPORTUNITIES

1 Complementary systems & product portfolio

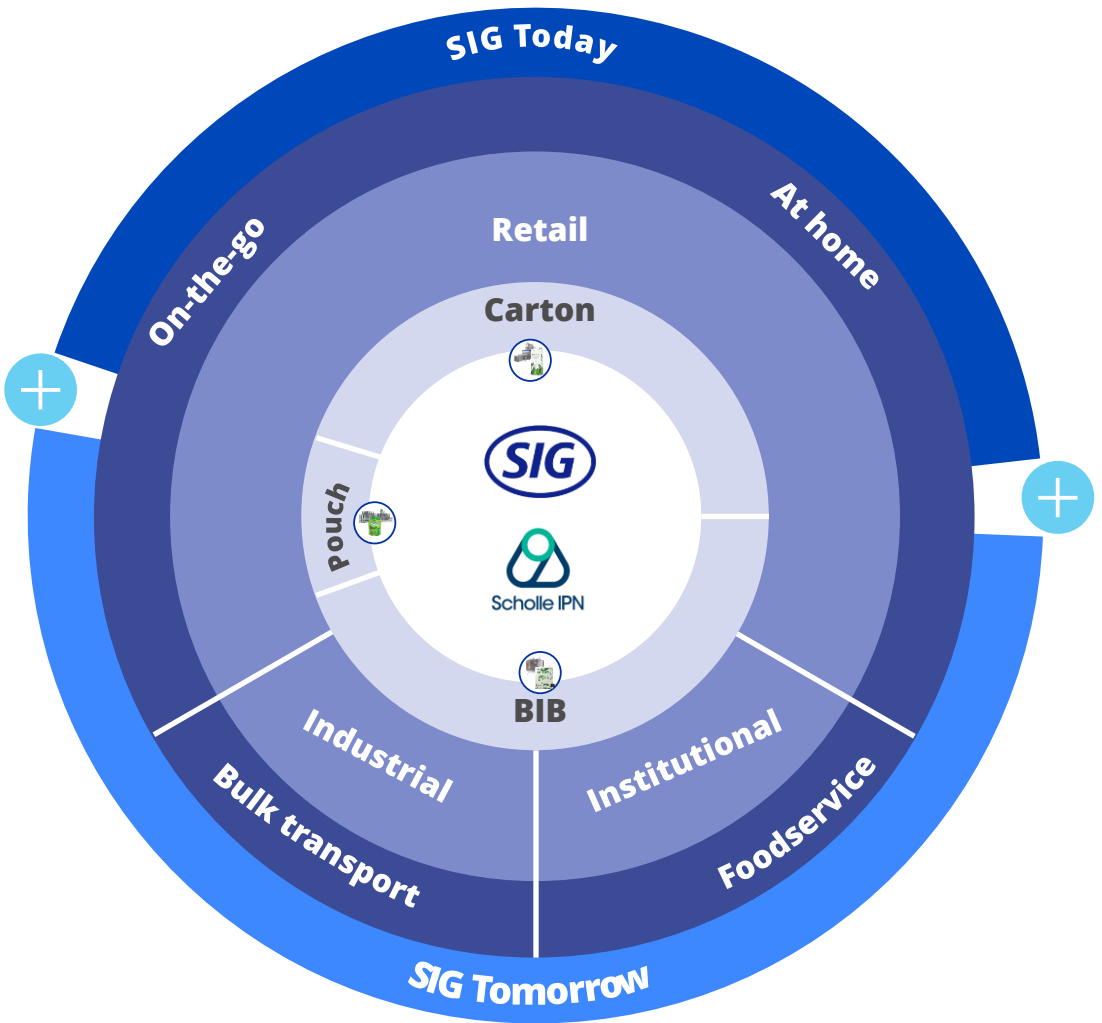
2 Complementary categories

3 Complementary geographies

4 Enhanced technical and commercial capabilities combined with cost efficiency

5 Leading innovators with most sustainable packaging solutions per category

# ACQUISITION COMPLEMENTS SIG'S RETAIL OFFERING ADDING NEW SOURCES OF GROWTH



### Beverage carton:

Safe, affordable and sustainable F&B packaging for retail consumers on-the-go or at home, limited foodservice; with aseptic shelf-stable for up to 12 months

125ml - 2l<sup>1</sup>



### Bag-in-box:

With best product-to-pack ratio, product evacuation and aseptic capability ideal for institutional & industrial use in foodservice and liquid food transport

2l - 1,500l



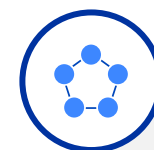
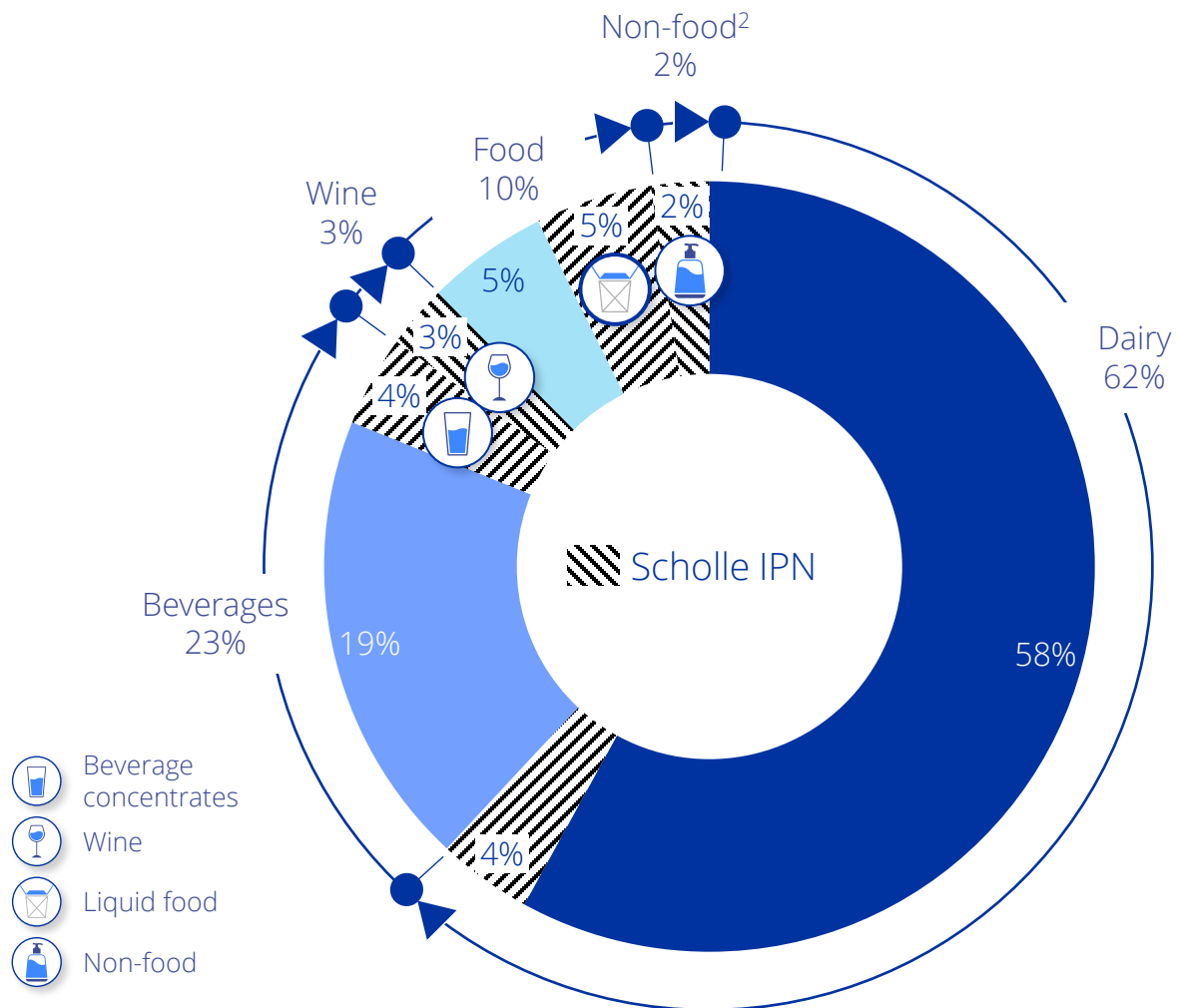
### Spouted pouch:

Optimized for convenient on-the-go consumption with spouts available on smallest retail pack-sizes; particularly suited for viscous premium food products

50ml - 500ml

# CATEGORY EXPANSION INCREASING RESILIENCE

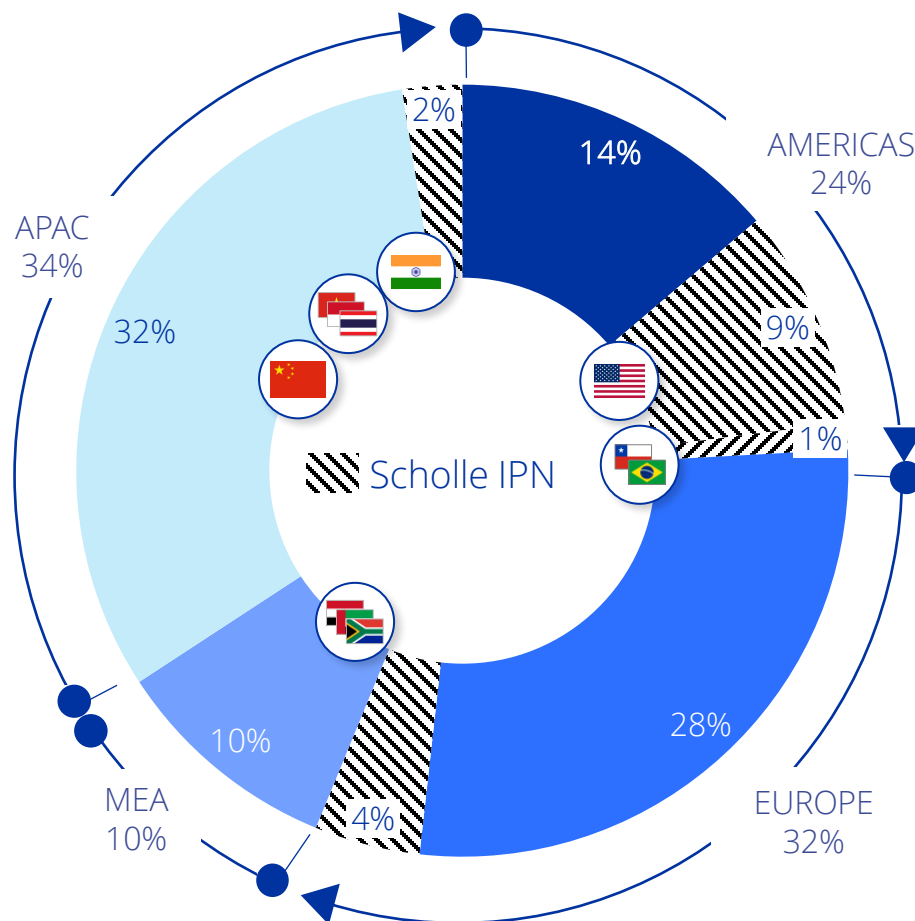
## Combined SIG and Scholle IPN revenue in FY 2021<sup>1</sup>



- Increased resilience from expansion into liquid food, beverage concentrates, wine and non-food applications
- Growth driven by:
  - Rigid to flexible conversion
  - Foodservice demand in emerging markets

# GLOBAL PLATFORM WITH INCREASED US PRESENCE & GROWTH IN EMERGING MARKETS

## Combined SIG and Scholle IPN revenue in FY 2021<sup>1</sup>



- Strong SIG presence and infrastructure in emerging markets expected to accelerate Scholle IPN's growth
- Increased US presence and US Dollar exposure for SIG due to Scholle IPN's strong market position



# STRONG SYNERGIES FROM ENHANCED CAPABILITIES

## €17M ANNUAL COST SYNERGY RUN-RATE

Enhanced capabilities

### Technology

Capabilities in aseptic and high-barrier mono-material film technologies to mutually advance innovation

### Service network

Combined technical service network with enhanced digital offering, regional coverage and improved response times

### System selling

Scholle IPN to adopt SIG system selling approach and benefit from commercial model and marketing expertise

### Manufacturing footprint

Extended footprint in India, injection moulding synergies in China and Europe, leveraging printing capabilities globally

Cost efficiency

### Procurement

Joint purchasing of raw materials and indirect spend including corporate services and logistics

### Corporate functions

Combination and bundling in back-office functions to gain scale and support growth

### Operational excellence

Leverage SIG expertise to improve manufacturing efficiencies and drive automation



# SUSTAINABLE COMPANY

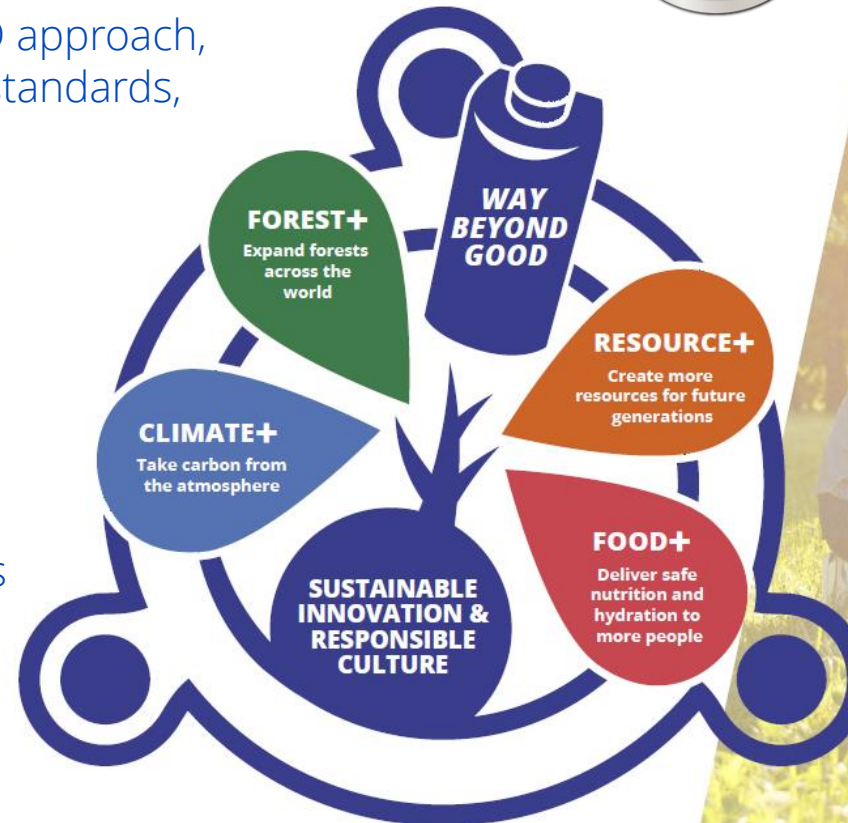
## JOINT FORCES ON OUR WAY BEYOND GOOD

The combination will confirm SIG as the **leader in sustainable packaging systems** for food and beverage, and a **frontrunner for ESG** in the industry

Scholle IPN's **sustainability mission of reduce, reuse and recycle is aligned** with SIG's WAY BEYOND GOOD approach, building the basis to bring them to SIG's high ESG standards, e.g. EcoVadis platinum recognition

Combined R&D capabilities and IP of SIG and Scholle IPN pave the way for **accelerated innovation** for sustainable packaging solutions

The combination provides **additional scale and outreach** to work alongside with regulators, NGOs and industry peers on improving recycling rates



# RENEWABLE MEETS MONO-MATERIAL

## INNOVATION LEADERS IN LOW-CARBON & CIRCULAR



**100%**  
Renewable

**Alu-free**  
Structure

**Plant-linked**  
Polymers

### Joint strengths & capabilities

**Best-in-class sustainability options** in their respective product-size segments versus competing substrates

Frontrunners in **renewable** and **lightweight** packaging with lower carbon footprint

Leaders in **design for recycling**: alu-free cartons, mono-material films & fitments and corresponding filling equipment solutions

### Future joint innovation & vision

**High-barrier films**  
Enhance barrier properties of carton

**Fibre-based pouch**  
Bring paper into pouch



**100%** Recyclable

**2Pure™ and RecShield™** Technology

**Lower Carbon Footprint** Than Bottles





**SCHOLLE IPN:  
A LEADING SUPPLIER IN  
SUSTAINABLE  
PACKAGING**





# SCHOLLE IPN

## LEADING PACKAGING SYSTEMS & SOLUTION PARTNER

### Leader in its industry

- 70+ years history of innovation
- Global #1 in BiB, #2 in spouted pouches
- Long-term partnership with customers

### Driven by technology

- Unique connector solutions
- Barrier film leader
- System provider and aseptic pioneer

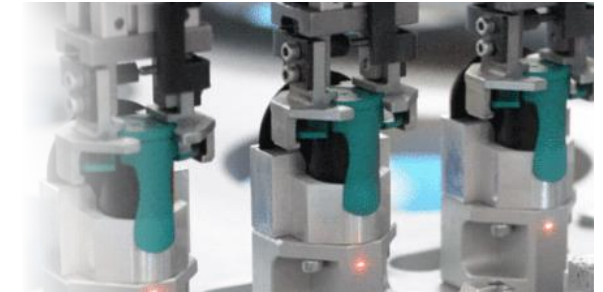
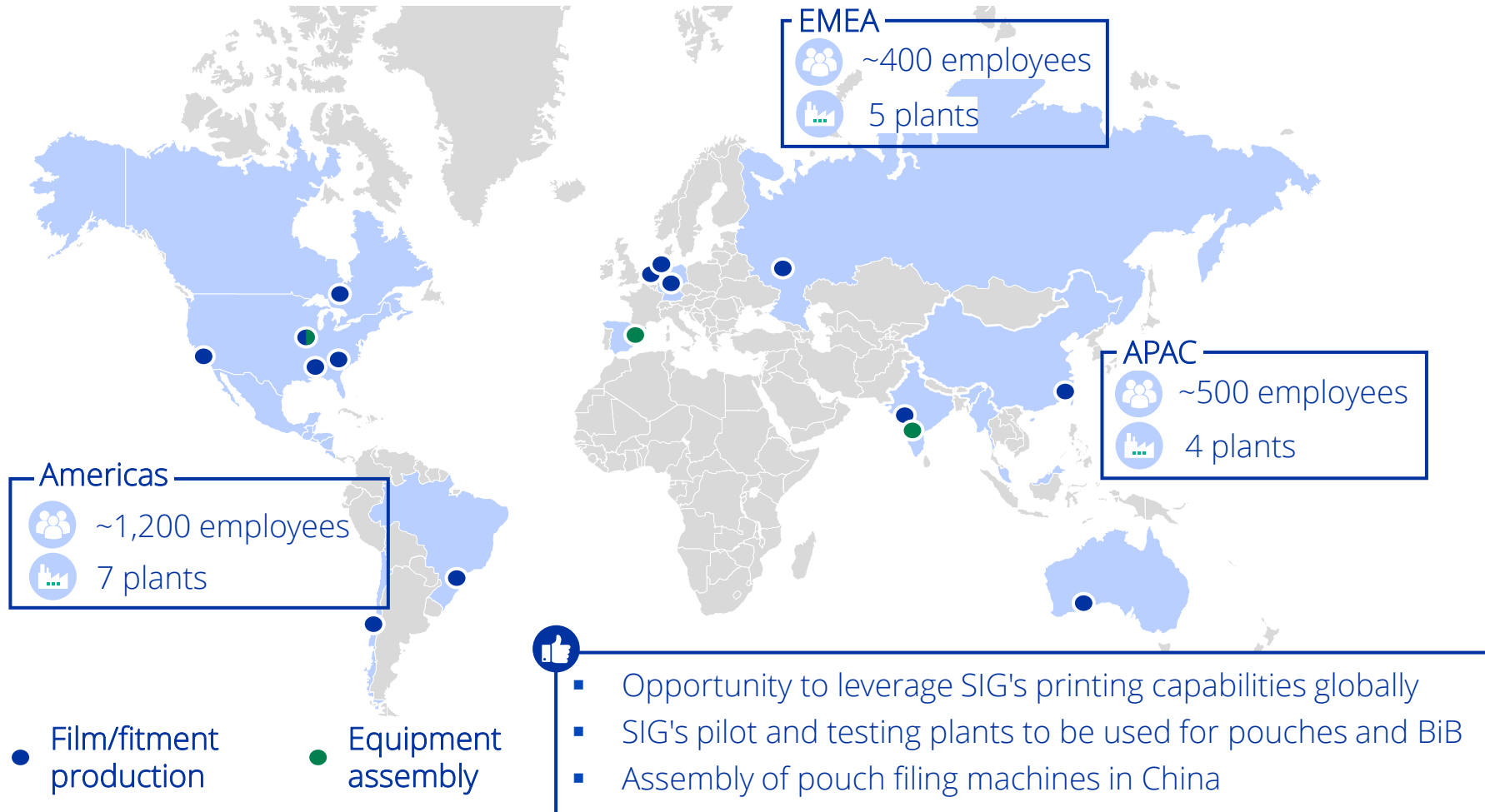
### Sustainability leader

- Mono-material capabilities
- "Lightweight" product designs
- Reduced carbon footprint



# FULLY INTEGRATED PRODUCTION MODEL

## FILMS, FITMENTS, AND EQUIPMENT GLOBALLY



# RETAIL POUCH & BIB

## SUSTAINABILITY & CONSUMER EXPERIENCE STAND OUT



### Kids food

#### Ergonomic caps and mono-material films

- First low-acid aseptic pre-made pouch filler
- Recycle-ready & lightweight options



### Dairy

#### Modernizing the consumer experience

- Turnkey pouch systems
- Installed equipment increasing customer stickiness



### Wine

#### First and still leading

- High-barrier film for long-shelf life
- Ergonomic dispenser (FlexTap)



### Water

#### Eliminating the plastic bottle problem

- Barrier technology to protect water from off-taste
- 100% recyclable options

# BEVERAGE CONCENTRATES

## ADDRESSING CUSTOMER NEEDS HOLISTICALLY



### FITMENTS



(Co-)development of fitment solutions as basis for long-term customer relations



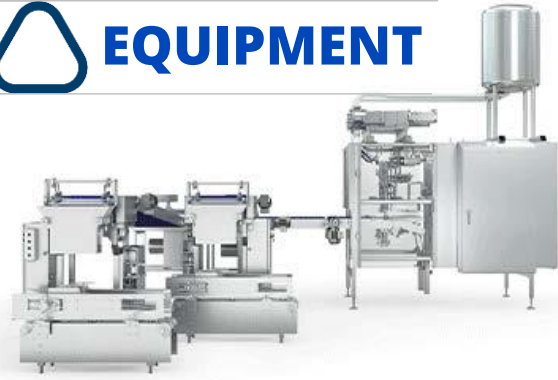
### FILM



Design for recycling and performance of film (strength) key differentiators



### EQUIPMENT



Sealing and packaging fine-tuned to characteristics of packaging material



Joint development of dispensing solutions extending scope of the partnership



**Delivering value with proprietary technology and customer co-development**



# INSTITUTIONAL & INDUSTRIAL BIB

## LEADING THROUGH ASEPTIC INNOVATION



### Processed Fruits

Protect and preserve the world's crops

- High-acid aseptic since 1968
- Proven performance & film durability
- Near-site manufacturing & high customer loyalty



### Dairy

Ergonomic caps and mono-material films

- Low-acid aseptic since 1984
- Recycling ready
- IP on dispensing systems and sterilization tech



### Non-food

Replacing rigid containers

- Significant growth in, e.g., automotive fluids and detergents
- High film strength
- Up to 65% lower carbon emissions vs. rigid plastics

# LONG-TERM RELATIONS WITH LEADING BRANDS

## AVERAGE OF 30 YEARS WITH TOP-10 CUSTOMERS



Customer (Global)	Products	Years in Relationship
#1	Institutional Bag-In-Box & Institutional Pouches	>45 years
#2	Retail Pouches	>15 years
#3	Institutional Bag-In-Box	>30 years
#4	Institutional Bag-In-Box & Retail Pouches	>25 years
#5	Retail Bag-In-Box	>15 years
#6	Retail Bag-In-Box	>45 years
#7	Institutional Bag-In-Box	>20 years
#8	Retail Bag-In-Box	>25 years
#9	Industrial Bag-In-Box	>25 years
#10	Industrial Bag-In-Box	>45 years
Average		30 years

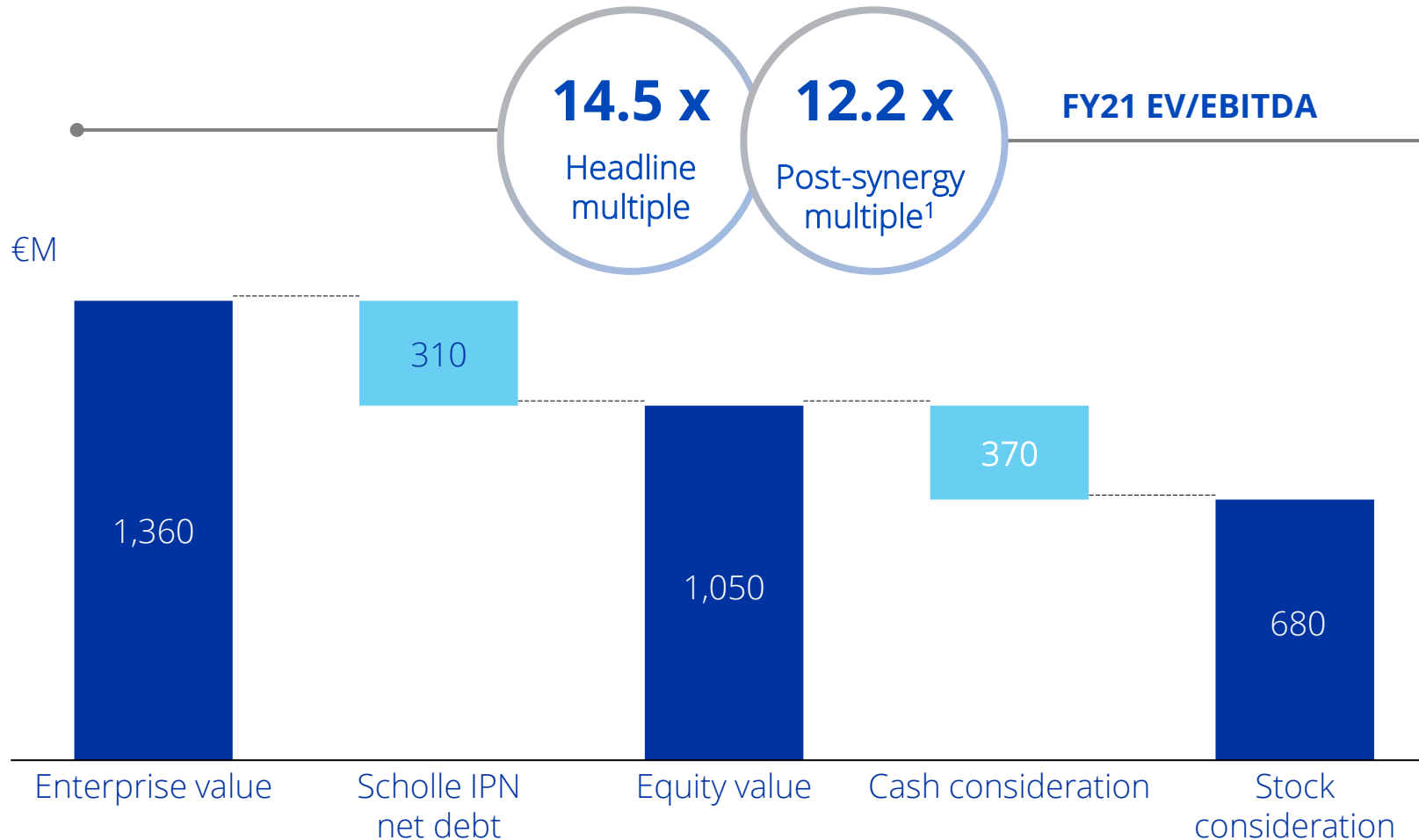


# FINANCIALS



# HIGH QUALITY ASSET AT ATTRACTIVE MULTIPLE

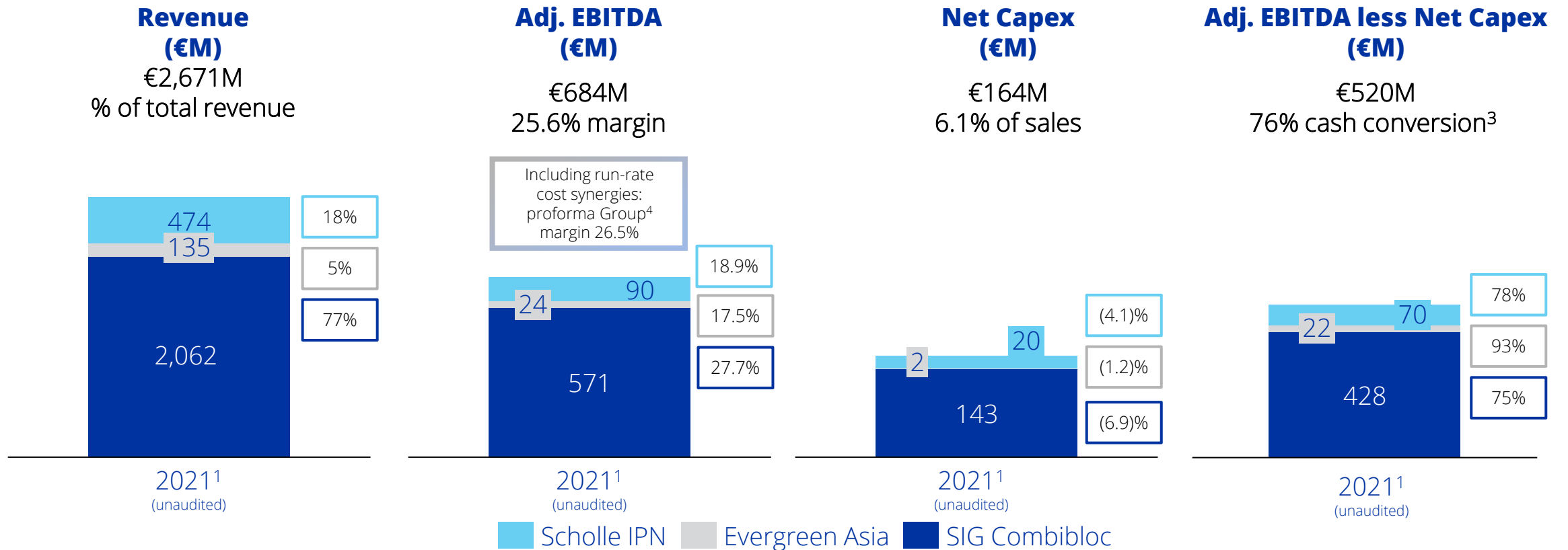
## OPTIMISED TRANSACTION & FINANCING STRUCTURE



- **Accretion** to cash flow per share and adjusted earnings per share from first year after completion
- **Stock consideration** 33.75M SIG shares issued from existing authorised capital, valued at current share price<sup>2</sup>
  - Commitment from seller with lock-up period of 18–24 month<sup>3</sup>
  - Maintains solid balance sheet
- **Earn out** contingent on Scholle IPN outperforming top-end of SIG's mid-term revenue growth guidance range
  - For growth of 6.0%-11.5%
  - Payments increase in ratchets up to €89M p.a. from 2023 to 2025
- **Cash consideration and net debt** fully underwritten by bridge facility

# BEST-IN-CLASS FINANCIAL PROFILE

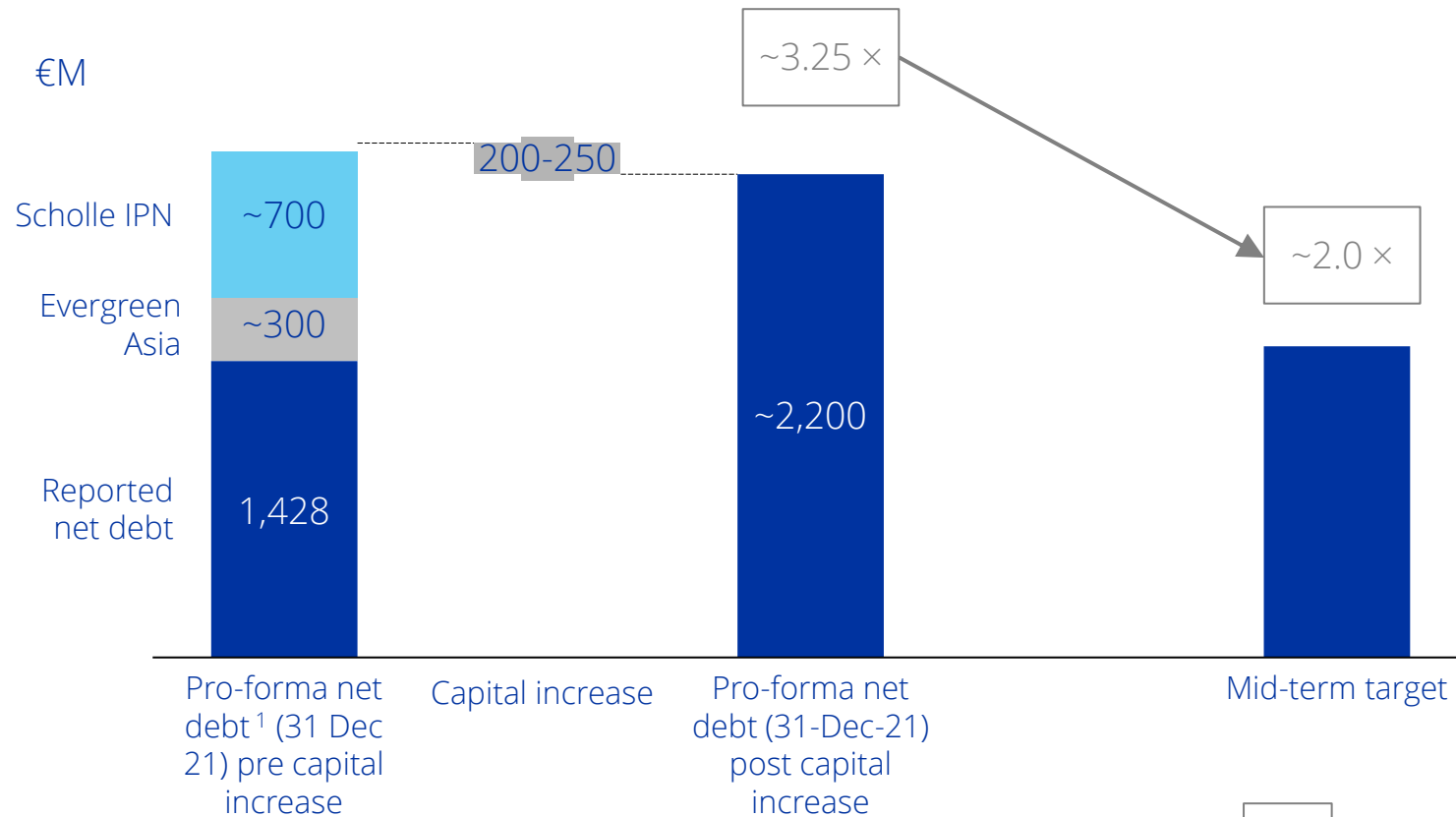
## STRONG RESILIENT GROWTH, MARGINS AND CASH GENERATION





# BALANCED FINANCING STRUCTURE

## MAINTAINING MID-TERM LEVERAGE TOWARDS ~2x



- **Balance sheet** remains strong due to equity contribution
- **Leverage:**
  - Increase to IPO level of ~3.25x from 2.5x at year end 2021
  - Cash generation of combined entity will enable to reduce leverage to ~2.5x by year end 2024
  - Mid-term leverage target remains towards ~2x

x Net debt/adjusted EBITDA

# SIG FULL YEAR 2021 RESULTS

## AHEAD OF EXPECTATIONS

(PRELIMINARY UNAUDITED RESULTS)

**STRONG FOUNDATION**  
FOR SCHOLLE IPN ACQUISITION

CORE REVENUE<sup>1</sup>  
**€2,047** MILLION

**+15.0%**

AT CONSTANT  
CURRENCY

UP

**+13.9%**

REPORTED

CORE  
REVENUE UP LIKE-  
FOR-LIKE<sup>2</sup>

**+6.6%** AT

CONSTANT  
CURRENCY

ADJUSTED EBITDA

**€571**

MILLION  
(2020: €498M)

ADJUSTED EBITDA  
MARGIN

**27.7%**

(2020: 27.4%)

FREE CASH FLOW

**€258**

MILLION  
(2020: €233M)

NET LEVERAGE  
(31 DECEMBER 2021)

**2.5x**

(31 DECEMBER 2020:  
2.7x)

PROPOSED  
DIVIDEND PER  
SHARE

**CHF 0.45**

(2020: CHF 0.42)

# MID-TERM GUIDANCE

## CONTINUED DELIVERY OF BEST-IN-CLASS KEY FINANCIAL METRICS

**Revenue growth  
(constant currency)**

**4–6%**

**GDP growth compounder, with improved resilience through the acquisition of Scholle IPN**

**Adj. EBITDA margin**

**Above 27%**

**Best in class margins with expansion potential, supported by substantial cost synergies**

**Net CAPEX (% revenue)**

**7–9%**

**Enhanced cash conversion by adding CAPEX efficient business models to the group**

**Dividend payout ratio  
(on adjusted net income)**

**50–60%**

**Attractive payout policy with progressive dividend growth**

**Net leverage**

**Towards ~ 2x**

**Clear path to deleveraging through combined cash generation potential, around 2.5x by year end 2024**



# CONCLUDING REMARKS



# STRENGTHENING & EXPANDING OUR PLATFORM

## BENEFITS FOR CUSTOMERS, CONSUMERS AND THE ENVIRONMENT DRIVE RETURNS FOR SHAREHOLDERS

### ENHANCED OFFERING OF ASEPTIC SYSTEMS AND SOLUTIONS

Leading positions across a broader geographic and category presence

Multiple opportunities for category expansion e.g., dairy and baby food in pouch

Cross-selling opportunity with existing customers, access to new customers

### GROWTH AND SUSTAINABILITY

Accelerated growth potential by leveraging SIG's EM platform

Opportunity to expand SIG's sustainability footprint

Focus on innovative technology and filler solutions

### COMPELLING FINANCIAL RATIONALE

High quality asset at attractive multiple

Accretive to free cashflow and adjusted earnings per share

Strong top line growth of 4-6% with best-in-class margins >27% mid-term





**THANK YOU**

