
SIG GROUP AG

H1 2022 ROADSHOW

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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.

SIG IS A LEADING PROVIDER OF PACKAGING SOLUTIONS FOR A MORE SUSTAINABLE WORLD

Well-positioned & strengthened system offering

Strong profile & capabilities

Expanding global footprint

1 **Chilled carton**
Asia



2 **Aseptic carton**



1 **Bag-in-box**



2 **Spouted pouch**



x = Global market position **1** = China market position



Best-in-class ESG profile, focus on circularity & lowest impact packaging



Proprietary, fast and flexible filling technology, most versatile pack offer + proven lowest TCO



31
Production sites



49
Sales & Service locations



Well-established global service network + digital service solution offering



Industry partner with strong solution orientation & product development capabilities



~2,400
Number of fillers¹ in the field



2,671
Pro-forma revenue 2021² (€M)

Aseptic carton filler = ~1,300
Pouch/bag-in-box filler = ~730
Chilled carton filler = ~380

DELIVERING BUSINESS GROWTH SINCE IPO

THROUGH GEOGRAPHY, CATEGORY & CHANNEL EXPANSION

Geographic expansion



New markets	Acquisition/consolidation	Footprint expansion
PACCE market expansion	Australia/NZ: Visy acquisition	New Tech centres in China & Dubai
Japan market entry	Integration of joint ventures in Middle East and Africa	3rd Production site in APAC
India market entry		Mexico plant construction

Category growth



New categories	Category development	More premium / added value
Enter chilled shelf in Asia w. acquisition Evergreen		
Plant based drinks	Drinks with particulates	Premium dairy
Still & flavoured water	Liquid food	Yogurt drinks
Nutraceuticals	Microwave-able products/ drinks	Sustainable drinks concepts

Channel development



Expansion in retail	Entering new channels
On-the-go expansion	Grow in institutional / food service
PET/Can conversion	Expand in industrial

PLATFORM FOR CREATING VALUE

FOR ALL STAKEHOLDERS

ATTRACTIVE INDUSTRY AND END-MARKETS

- A. **Global Leadership** – Strong #2 in aseptic carton & spouted pouch, #1 in BiB¹
- B. **Resilient** and **growing** end-markets

WINNING BUSINESS MODEL ENABLING GROWTH

- C. Leader in **sustainable** packaging innovation
- D. Multi-faceted **growth strategy** along geographies, categories & channels
- E. **Consumer-centric innovation** enabled by proprietary technology
- F. **Solutions selling** approach coupled with customer partnership model
- G. **Systems based** business model enabling long-term customer relationships

STRONG FINANCIAL PROFILE

- H. **Above market growth** and **best-in-class margins**
- I. Strong **recurring** cash flows

... WITH OUR CORPORATE SUSTAINABILITY AMBITION FOCUSED ON NET POSITIVE

ATTRACTIVE END MARKETS IN LIQUID FOOD & BEVERAGE PACKAGING

Mega trends driving resilient and consistent growth



Population growth, urbanisation & rising disposable incomes drive demand for packaged & branded products



Recyclability & footprint closely monitored by regulators and consumers



Stricter focus on food safety, health & quality



Acceleration of rigid to flexible conversion and increased use of mono materials



Expansion of food service demand in emerging markets



Trend to convenient on-the-go portion sizes

Global food & beverages packaging market

CAGR 2021–2026

3.0%

Packaging of food and beverages

Aseptic carton packaging

3.6%

Market growth
CAGR '21-'26

Emerging markets

5.4%

Market growth
CAGR '21-'26

Sustainability, innovation and differentiation in new categories driving growth

Bag-in-box

3.5%

Market growth
CAGR '21-'26

Emerging markets

5.5%

Market growth
CAGR '21-'26

Emerging markets as growth platform with increasing speed & food service as drivers

Spouted pouch

5.8%

Market growth
CAGR '21-'26

Emerging markets

8.0%

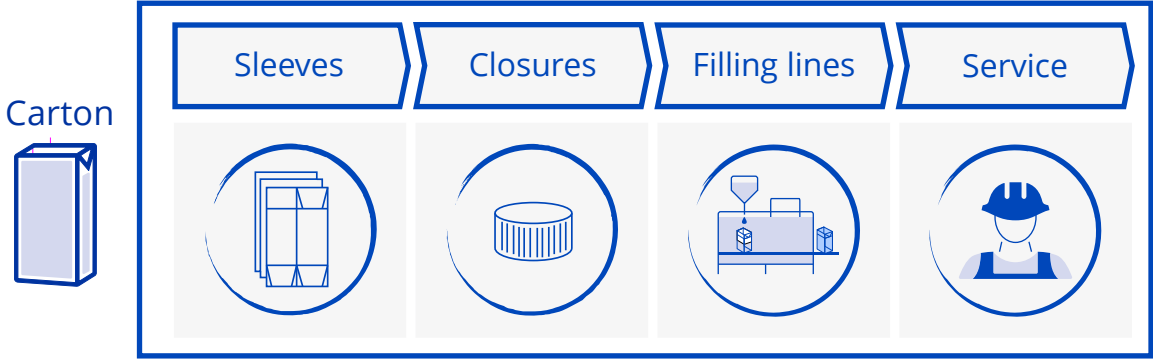
Market growth
CAGR '21-'26

High growth potential, cross-lead generation and new category developments drive growth

WINNING BUSINESS MODEL

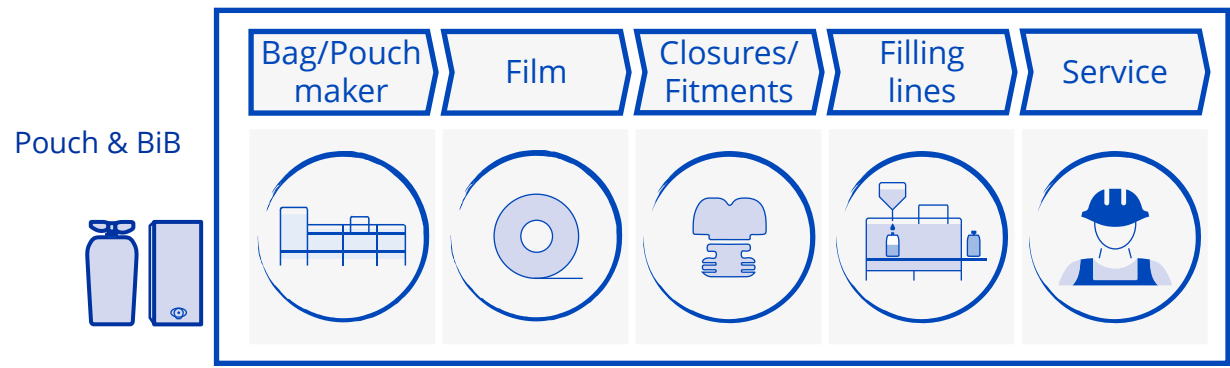
ENABLING GROWTH

Systems-based business model enabling long-term customer relationships



- **Razor/razorblade** business model
- **Aseptic filling technology leader**
- **Extensive service network** guaranteeing uptime

Logos of customers: STEUBEN, MOTHER DAIRY, itambé, Refresco, 伊利 (Yili), 蒙牛 (Mengniu), Arla, LACTALIS, Nestlé, pfanner. A central graphic shows '>30 years' and 'Average length of top 10 customer relationships'.



- **Co-development of fitment solutions and unique connectors**
- **Aseptic filling pioneer**
- **IP-protected system solutions for mono-material film** designed for recycling

Logos of customers: DELICATO, Materne, Sapito, Fonterra, Coca-Cola, HECTOR BEVERAGES, DANONE, THE WINE GROUP, E&J Gallo Winery, carozzi, KarPak. A central graphic shows '>30 years' and 'Average length of top 10 customer relationships'.



LOWEST CARBON FOOTPRINT

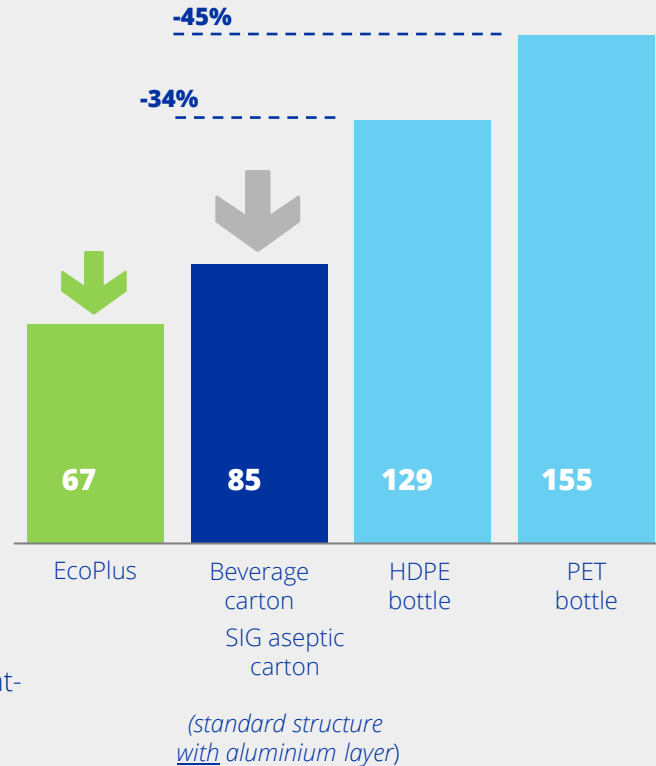
CARTONS WIN EVERY TIME IN LIFE-CYCLE ASSESSMENTS¹

LIQUID DAIRY

kg CO₂ equivalent per packaging required for 1,000L UHT milk

**GO BEYOND
(25-75% LESS) WITH
SIG :**

EcoPlus alu-free structure and/or SIGNATURE PACK plant-based plastics



EFFICIENCY

The lightweight, space-saving design of our cartons is exceptionally efficient to make, fill and transport

RENEWABLE ENERGY

We use 100% renewable electricity in manufacturing

RENEWABLE MATERIALS

We use high proportions of FSC™-certified low carbon renewable paperboard

SCHOLLE IPN SUSTAINABILITY LEADERSHIP

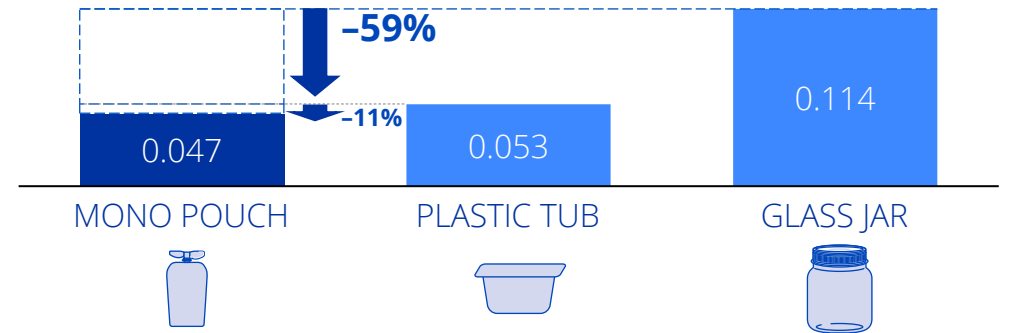
PROVEN HISTORY OF INNOVATION

Mono-material pouch & proprietary sealing tech



Patented **sealing equipment** enables the production of PE-based spouted pouches using **recycle-ready, mono-material film** structures, and ready to enter an **aseptic pouch filler**

Baby food: Kg CO2 equivalent per packaging required for 4 oz¹

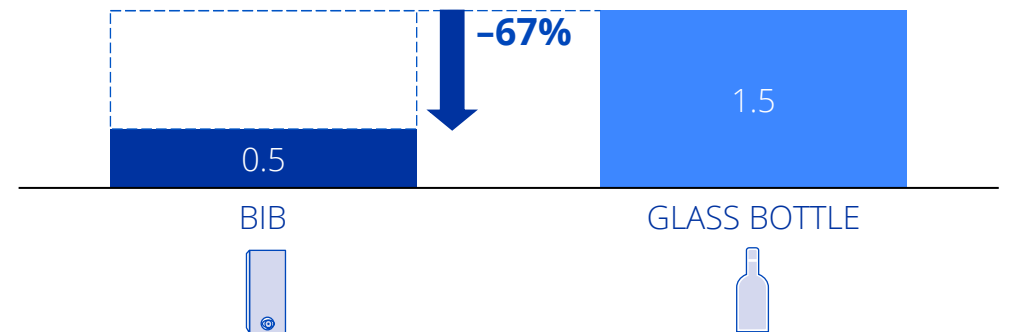


APR-recognized recyclable bag-in-box

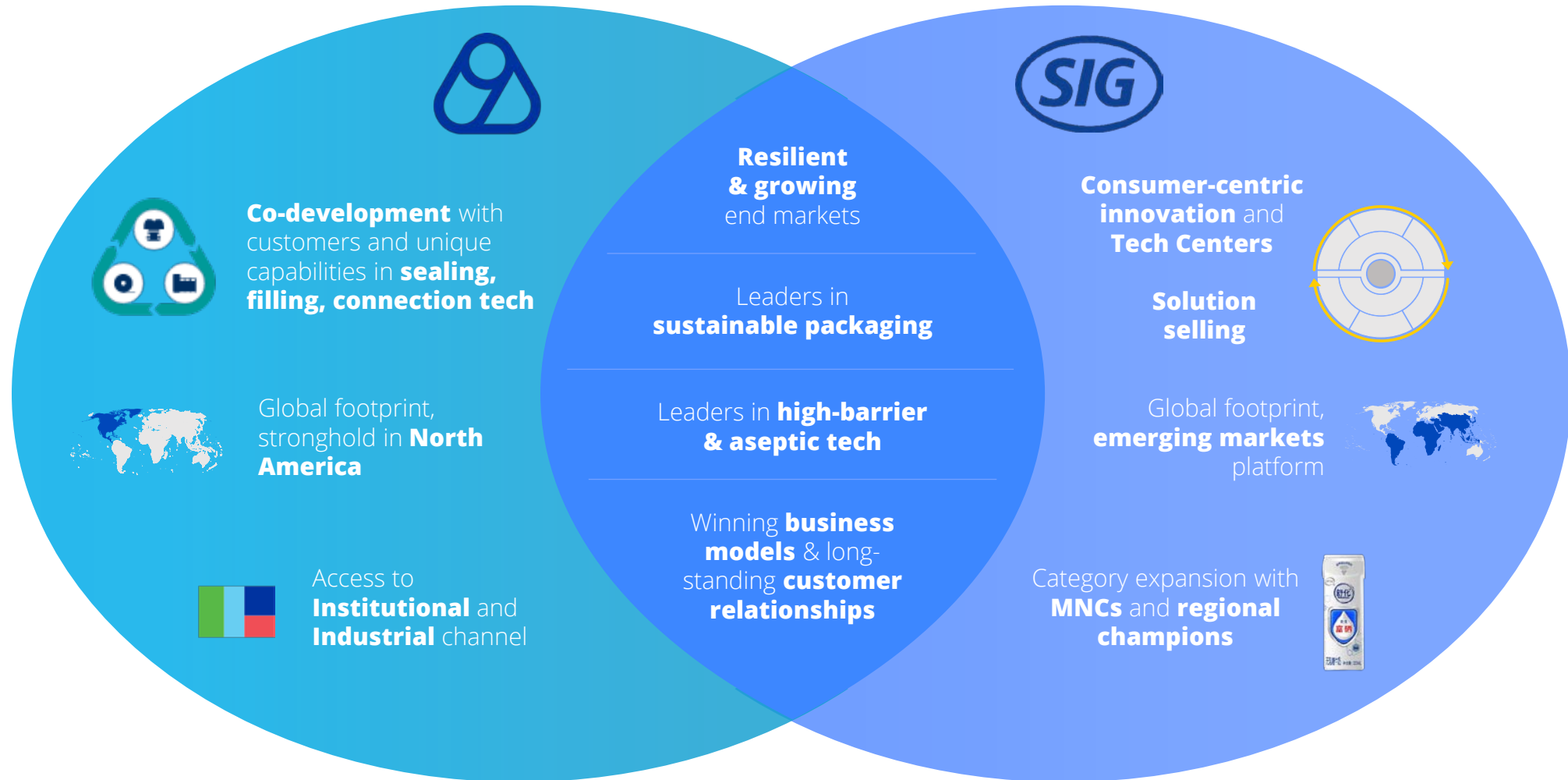


First-ever bag-in-box package recognized as **100% recyclable** by the Association of Plastic Recyclers

Wine: Kg CO2 equivalent per packaging required for 3 liters²



SCHOLLE IPN MAKES SIG STRONGER AND BROADENS ORGANIC GROWTH PLATFORM



ACQUISITION OF EVERGREEN ASIA

UNIQUE OPPORTUNITY TO EXPAND CHINA GROWTH

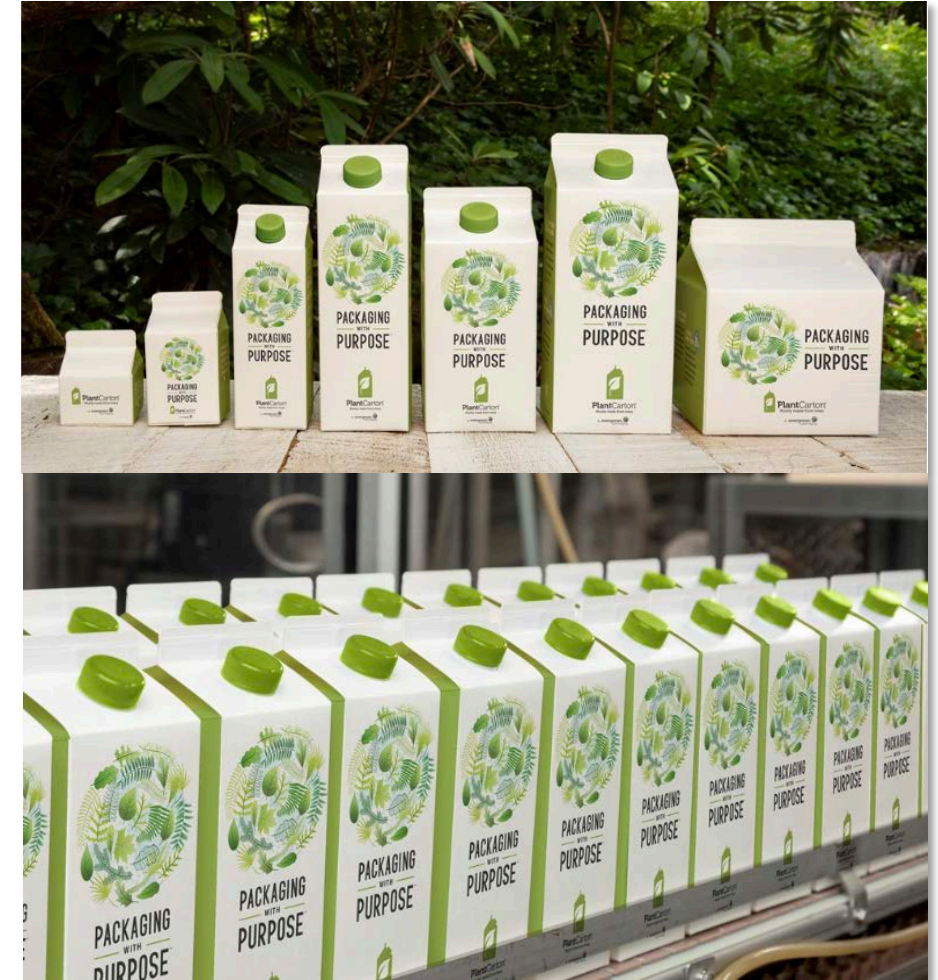
MARKET TRENDS

- Focus on milk intensified with COVID 19
- Chilled milk market growing at 7% per annum – mainly in urban areas, driven by increasing awareness of the health benefits of milk



SIG OPPORTUNITY

- Chilled milk consumed in family packs diversifying SIG consumption formats
- SIG customers looking to expand in chilled milk
- New access to regional and city dairies
- Opportunity to leverage SIG core competency to drive innovation in chilled
- Cost synergies €6 million p.a. and significant commercial opportunities



MID-TERM FINANCIAL GUIDANCE

CONTINUED BEST-IN-CLASS FINANCIAL METRICS

Revenue growth (constant currency)	Upper half of 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
Dividend pay-out ratio (of adjusted net income)	50-60%	Attractive pay-out 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

CONSISTENT CAPITAL ALLOCATION PRIORITIES

BASED ON STRONG CASH GENERATION



INVESTMENTS

- Disciplined investments driving organic growth
- Return focus underpinning attractive ROCE
- Net capital expenditure in business at 7-9% of revenue



DIVIDEND

- Attractive current return for our shareholders
- Progressive absolute dividend per share growth
- At least 50-60% of Adjusted Net Income



LEVERAGE

- Repeating leverage reduction with unchanged target
- Around 2.5x by year 2024
- Deleveraging towards 2x in the mid-term



H1 2022 FINANCIAL RESULTS



H1 2022

KEY FIGURES

REVENUE GROWTH
ADJ. EBITDA AHEAD
OF PRIOR YEAR

REVENUE
€1,142.6 MILLION

+12.4%

REVENUE GROWTH AT
CONSTANT CURRENCY

+7.5%

ORGANIC REVENUE
GROWTH¹

+18.3%

REPORTED REVENUE
GROWTH

ADJUSTED EBITDA

€280.5

MILLION
(H1 2021: €264.1m)

ADJUSTED EBITDA
MARGIN

24.6%

(H1 2021: 27.3%)

ADJUSTED NET
INCOME

€115.0

MILLION
(H1 2021: €109.6m)

ADJUSTED
EARNINGS PER
SHARE

€0.33
(H1 2021: €0.33)

FREE CASH FLOW

€(9.4)

MILLION
(H1 2021: €25.0m)

¹Organic growth represents SIG revenue growth at constant currency, excluding the impacts of the Scholle IPN acquisition

Q2 2022 KEY FIGURES

GROWTH ACCELERATION
IN Q2 2022

REVENUE
€645.9 MILLION

+17.9%

REVENUE GROWTH AT
CONSTANT CURRENCY

+8.8%

ORGANIC REVENUE
GROWTH¹

+25.5%

REPORTED REVENUE
GROWTH

ADJUSTED EBITDA

€161.8

MILLION
(Q2 2021: €146.2m)

ADJUSTED EBITDA
MARGIN

25.1%

(Q2 2021: 28.4%)

ADJUSTED NET
INCOME

€74.4

MILLION
(Q2 2021: €57.6m)

FREE CASH FLOW

€15.4

MILLION
(Q2 2021: €31.5m)

¹Organic growth represents SIG revenue growth at constant currency, excluding the impacts of the Scholle IPN acquisition

BUSINESS HIGHLIGHTS

H1 2022

SUSTAINABILITY



NETHERLANDS

Lipton iced tea adopts **SIGNATURE FULL BARRIER** packaging material



BELGIUM

Olympia Dairy becomes the first company in Belgium to fill products using **SIGNATURE 100** packaging material



NORTH AMERICA

Copacker Leahy is first to offer **SIGNATURE FULL BARRIER** packaging material in foodservice for "All Friends" brand



SIGNATURE EVO

The world's first aluminum-free full barrier packaging material for aseptic carton packs

PRODUCT LAUNCHES



NETHERLANDS

Riedel unified its portfolio and expanded its on-the-go reach using SIG combismile packs



FINLAND

Juustoportti expanded its juice range in combismile with paper straw



INDIA: FIRST COMBISMILE LINE

For the popular Lassi drink part of the iconic Amul brand

TECHNOLOGY



FULLY INTEGRATED MYSIG PORTAL FOR FOOD AND BEVERAGE CUSTOMERS

New digital one-stop platform boosts customer operational efficiency

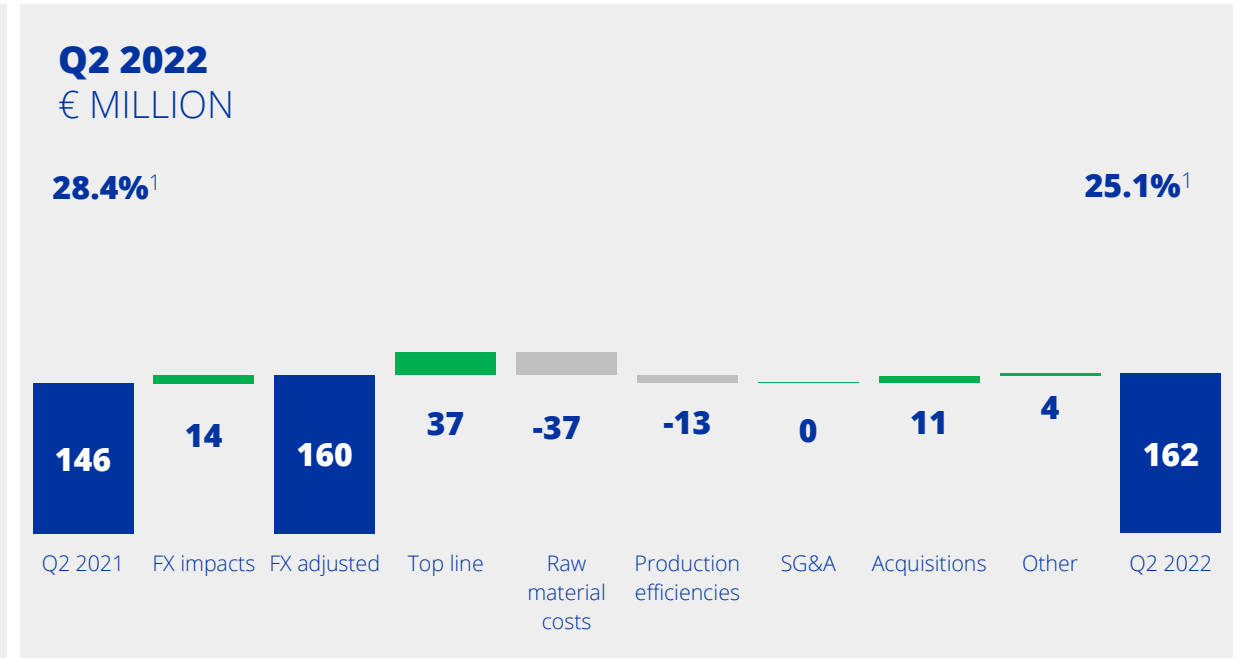


GERMANY: HOCHWALD 1ST TO ADOPT SIG NEO

Next generation line for its plant-based category

ADJUSTED EBITDA EVOLUTION

HALF YEAR 2022 AND Q2 2022



- FX benefit due to Euro weakness
- Top line contribution driven mainly by pricing offsetting raw material cost inflation
- Production efficiencies include higher freight and energy costs

¹Adjusted EBITDA as % of revenue

FREE CASH FLOW REFLECTING SEASONALITY

CASH GENERATION
WEIGHTED TO H2

€million	H1 2022	H1 2021	2021A
NET CASH FROM OPERATING ACTIVITIES	94	151	531
Acquisition of property, plant and equipment and intangible assets (net of sales)	(87)	(113)	(246)
Payment of lease liabilities	(16)	(13)	(27)
FREE CASH FLOW	(9)	25	258
NET WORKING CAPITAL	355	172	173
% Revenue	13.1% ¹	8.5%	8.4%

- Net cash flow from operations
 - Higher volume bonus pay-outs to customers reflecting strong prior year performance
 - Increased inventory from safety stock build-up in light of logistics constraints
- NWC reflects primarily the Scholle IPN consolidation and also elevated inventory levels
 - Opportunities for reduction of working capital identified at Scholle IPN

¹Includes the revenue of Scholle IPN from 1 July 2021

LEVERAGE AND FINANCING

LONG TERM FINANCING SECURED

LEVERAGE GUIDANCE
TOWARDS 2x MID-TERM

€million	H1 2022 ¹	H1 2021	2021 ²
GROSS DEBT	2'638	1'828	1'732
CASH	526	152	305
NET DEBT	2'111	1'676	1'428
NET LEVERAGE RATIO (LAST TWELVE MONTHS)	3.1x	2.9x	2.5x

- Long term acquisition financing implemented at attractive terms in challenging environment
 - €204 million proceeds from equity raise
 - €650 million Schuldschein (German market private debt placement)
 - \$270 million term loan
- Leverage slightly higher following acquisitions and in line with our expectations
- Credit ratings confirmed post both acquisitions reflecting attractive and resilient profile
- Mid-term leverage guidance remains towards ~2x with milestone of ~2.5x by year end 2024

¹In the calculation of the net leverage ratio as of 30 June 2022, adjusted EBITDA includes the adjusted EBITDA of Scholle IPN from 1 July 2021. ²In 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.

2022 FINANCIAL GUIDANCE UNCHANGED

MAINTAINING
GUIDANCE

HEADLINE REVENUE GROWTH (constant currency)	22-24%
ADJ. EBITDA MARGIN	AROUND 26%
EFFECTIVE TAX RATE	26-28%¹
NET CAPEX (% REVENUE)	7-9%
DIVIDEND PAYOUT RATIO (of adjusted net income)	50-60%

¹Represents management's estimated adjusted effective tax rate

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THANK YOU
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APPENDIX



EUROPE H1 2022

NOTABLE GROWTH



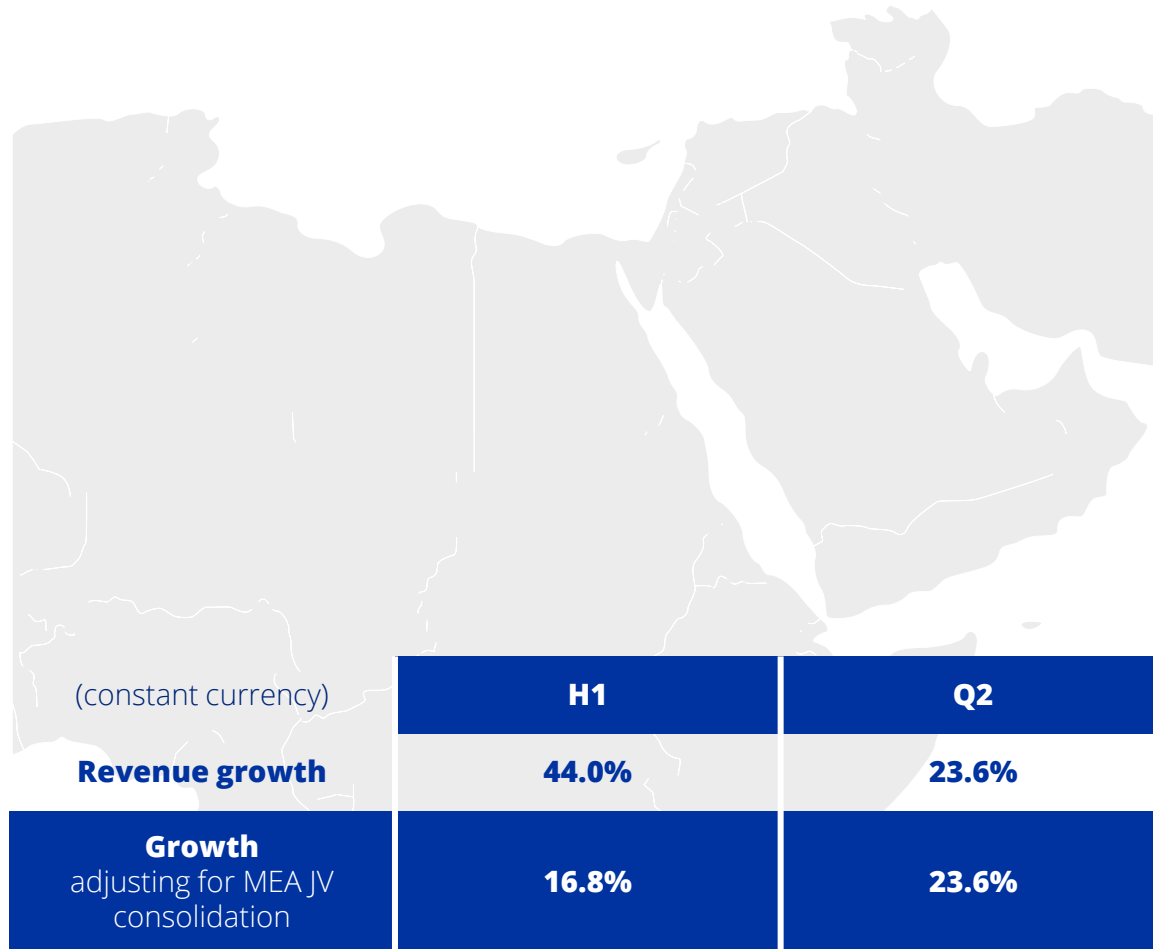
(constant currency)	H1	Q2
Revenue growth	6.0%	13.1%
Growth excluding Scholle IPN acquisition and adjusting for MEA JV consolidation	3.5%	6.0%

Volume growth: expanding reach and product diversification

- Volume performance driven by:
 - NCSD¹ on-the-go consumption
 - Continued expansion into plant-based alternatives
- Sales of sleeves to Russia discontinued in H2
 - Approximately 125bps of revenue growth impact
- Hochwald volumes continue to ramp up in Q3
- Conversion of PET to carton: expansion of Volvic water into still category
- Conversion of can to carton: renewed interest for our food packaging in high metal price environment

MIDDLE EAST AND AFRICA H1 2022

CONTINUED MOMENTUM



Robust performance across categories

- Ramp-up of 12 new fillers since end of Q2 2021
- Ongoing recovery post COVID-19
- Non-recurrence of drought in South Africa which affected H1 2021
- Continued execution of liquid dairy expansion in one litre format
- A positive one-off effect from customers building safety stocks due to logistic constraints

ASIA PACIFIC H1 2022

SOUTH-EAST ASIA AND INDIA MOMENTUM

CHINA – COVID-19 lockdown disruptions

- COVID-19 lockdown disruptions in April and May
- Customer restocking in June as restrictions eased: safety stocks
- Stable demand for white milk supported by health benefits

(constant currency)

	H1	Q2
Revenue growth	3.7%	8.1%
Growth excluding paper mill divestment and Scholle IPN acquisition	7.6%	8.4%

SOUTH-EAST ASIA - 1 litre formats driving volume

- Strong volume growth in Indonesia, Malaysia and Thailand
- Continued volume momentum from previous filler placements in 1 litre
- Record net filler wins across region in H1 2022

INDIA – making strong inroads

- Multiple filler wins including leading dairy and NCSD companies

SIG capabilities well suited to service regional market needs e.g. flexibility and “shrinkflation”

Demand for 1 litre packs stable even after easing of COVID-19 restrictions

AMERICAS H1 2022

SOLID GROWTH AGAINST HIGH 2021 COMPARABLE



Strong volume momentum

- From high level of past filler placements especially in Brazil
- Ongoing expansion in neighbouring countries to Brazil
- Strong bag-in-box sales in Q2
- Construction of sleeves plant in Mexico on track for commercial production in Q1 2023
- New sleeves plant in Mexico to simplify supply chain for North America and increase customer proximity

Flexibility of fillers well positioned to cater to customer demands

(constant currency)

	H1	Q2
Revenue growth	23.7%	38.9%
Growth excluding Scholle IPN acquisition	7.7%	9.6%