



Press release

February 25, 2025

SIG Group AG

("SIG", the "Company" or the "Group")

Resilient revenue growth coupled with solid financial performance

- 2024 Group revenue growth at constant currency of 4.3%
- 2024 Group revenue growth at constant currency and constant resin of 3.9%
- 2024 carton revenue growth at constant currency of 6.0% with strong volume growth despite subdued end-markets
- 2024 bag-in-box and spouted pouch revenue decline of 5.0%, back to growth in H2 with +2.5% (H1 2024: decline of 12.2%), at constant currency and constant resin
- 2024 adjusted EBITDA margin of 24.6% (2023: 24.9%)
- Slight reduction in net leverage to 2.6x (31 December 2023: 2.7x)
- 2025 outlook: 3-5% constant currency and constant resin revenue growth and adjusted EBITDA margin within 24.5 to 25.5% range. Mid-term guidance confirmed
- Proposed dividend of CHF 0.49 per share (2023: CHF 0.48 per share), paid from the foreign capital contribution reserves

Samuel Sigrist, CEO, said:

"In 2024, SIG continued to outperform the market and gained share in its carton portfolio, demonstrating the resilience of our business model and strategy despite a challenging economic environment, particularly for consumers.

Carton revenue growth was 6.0%¹ for the year, driving further market share gains. In 2024, we placed 75 aseptic carton filling machines, which was another strong performance after two years of exceptional placements exceeding 90 fillers annually.

Bag-in-box and spouted pouch revenue declined by 5.0% for the year, at constant currency and constant resin². This reflected a weak first half performance given soft market conditions, particularly in North America, and operational challenges at our US production facilities. These operational challenges have been addressed, and we are pleased to report positive revenue growth of 2.5% in the second half of the year.

For 2025, we expect a similar market environment as in 2024. The Company expects total revenue growth at constant currency and constant resin for 2025 to be within a range of 3-5%.

¹ Constant currency

² The resin escalator is for the bag-in-box and spouted pouch businesses, which passes on movements of resin costs directly to customers, is not included in the guidance.

The adjusted EBITDA margin is expected to be within a 24.5 to 25.5% range. In line with our usual seasonality, we expect revenue growth and adjusted EBTIDA margins to be higher in the second half of the year. Guidance is subject to input costs as well as foreign currency volatility."

Key performance indicators

(In € million or %)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023	Three months ended Dec. 31, 2024	Three months ended Dec. 31, 2023
Total revenue	3,328.5	3,230.3	930.7	891.0
Adjusted EBITDA	819.5	803.0	244.1	221.3
Adjusted EBITDA margin	24.6%	24.9%	26.2%	24.8%
EBITDA	843.6	861.3	244.3	274.7
Adjusted EBIT	550.5	541.9	175.8	151.7
EBIT	424.1	449.1	138.1	166.9
Adjusted net income	308.1	318.2	110.4	94.8
Net income	194.5	243.2	64.4	106.3
Adjusted diluted EPS	0.81	0.83		
Diluted EPS	0.51	0.64		
Free cash flow	290.3	219.5	289.3	299.7

Revenue by region: 2024

(In € million or %)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023	Change	
			Reported currency	Constant currency
Europe	1,044.7	984.1	6.1%	6.2%
IMEA	456.4	404.0	13.0%	13.4%
APAC	938.1	936.1	0.2%	1.6%
Americas	888.6	905.1	(1.8%)	0.8%
Group Functions	0.7	1.0		
Total revenue	3,328.5	3,230.3	3.0%	4.3%

Revenue by region: fourth quarter

(In € million or %)	Three months ended Dec. 31, 2024	Three months ended Dec. 31, 2023	Change	
			Reported currency	Constant currency
Europe	268.0	253.2	5.8%	5.9%
IMEA	125.6	111.8	12.4%	12.2%
APAC	298.2	289.4	3.0%	2.4%
Americas	238.6	236.3	1.0%	6.7%
Group Functions	0.3	0.3		
Total revenue	930.7	891.0	4.5%	5.7%

Revenue by type of business: 2024

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Revenue from the carton business ¹	2,748.9	2,626.3
Revenue from the bag-in-box and spouted pouch businesses	579.6	604.0
Total revenue	3,328.5	3,230.3

¹Revenue from the carton business mainly relates to the provision of aseptic carton packaging solutions but also to the provision of chilled carton packaging solutions in Asia.

Full year regional revenue highlights

Europe

For the financial year 2024, revenue growth in Europe was 6.2% on a constant currency basis, or 6.4% on both a constant currency and constant resin basis.

The aseptic carton market was supported by higher raw milk production available for aseptic processing, while SIG also gained market share as it ramped-up previous filler placements. The region has placed 56 fillers over the last 3 years.

After a decline in revenue in H1 2024, bag-in-box and spouted pouch reported positive revenue growth in H2 2024. This was supported by the ramp-up of cross-selling projects in both packaging substrates. These projects are structured as system solutions with recurring packaging revenue.

India, Middle East and Africa

For the financial year 2024, revenue growth in India, Middle East and Africa (IMEA) was 13.4% on a constant currency basis, or 13.5% on both a constant currency and constant resin basis.

The Middle East and Africa, experienced strong carton revenue growth for the year driven by the ramp-up of filler placements across the region, as well as a market recovery in Egypt and the Gulf Cooperation Council countries.

In India, we continued to experience high double-digit revenue growth as we expanded our commercial presence and captured share of the growing packaging market

We were delighted to sign a significant number of new contracts in many different countries across the region for bag-in-box and spouted pouch filling machines in 2024. This was a result of leveraging cross-selling opportunities across the region.

Asia Pacific

Asia Pacific reported revenue growth of 1.6% on a constant currency basis, or 1.7% on both a constant currency and constant resin basis.

The market environment in China was challenging in 2024 due to soft consumer spending. However, SIG successfully increased its share of the carton market by tailoring packaging sizes to offer affordable price points for consumers.

Growth in Thailand, Vietnam, Indonesia, and Malaysia was driven by the ramp up of filler placements leading to share gains across all countries. Growth in the region was also supported by innovative product launches.

Americas

For the financial year 2024, revenue growth in the Americas was 0.8% on a constant currency basis, or a decrease of 0.7% on both a constant currency and constant resin basis.

The bag-in-box business was impacted by weakness in the out-of-home dining market in the United States. This slowdown was primarily driven by rising menu prices. In response to the decline in demand, quick service restaurants intensified their promotional activities during the second half of the year.

Revenue performance was further impacted by operational challenges at our U.S. bag-in-box facilities and a high prior year comparable base. The production bottlenecks have been addressed, and we were pleased to report positive revenue growth in the second half of the year.

Aseptic carton volumes benefitted from the ramp-up of filling machines in Canada, the United States and Mexico.

Brazil saw good volume growth from filler ramp-ups mostly in single serve liquid dairy cartons, while we continued to expand into the surrounding countries. We were pleased to sign our first two carton customers in Colombia, and we gained new business in Chile with the largest dairy in the region outside of Brazil.

Adjusted EBITDA

(In € million or %)	Year ended 31 Dec. 2024		Year ended 31 Dec. 2023	
	Adjusted EBITDA margin ¹	Adjusted EBITDA	Adjusted EBITDA margin ¹	Adjusted EBITDA
Europe	29.5%	308.4	28.3%	278.7
IMEA	26.7%	122.0	26.4%	106.7
APAC	27.7%	259.7	29.5%	276.0
Americas	23.5%	208.7	23.2%	210.2
Group Functions		(79.3)		(68.6)
Total	24.6%	819.5	24.9%	803.0

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

Adjusted EBITDA for the year amounted to €819.5 million (2023: €803.0 million). The adjusted EBITDA margin was 24.6% (2023: 24.9%).

Compared with 2023, adjusted EBITDA growth reflects higher revenue contribution (primarily from volume growth while mix was unfavorable) of €22.8 million as well as significantly lower raw material costs of €46.2 million, which was especially driven by lower polymer costs. This was partially offset by higher SG&A expenses of €22.3 million, adverse foreign currency movements of €16.3 million and negative production costs of €13.8 million. Higher production costs were primarily due to operational bottlenecks in the North American bag-in-box operations, as previously reported. These production challenges have now been addressed.

The table below details the reconciliation of profit for the period to EBITDA and adjusted EBITDA:

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Profit for the period	194.5	243.2
Net finance expense	143.1	125.1
Income tax expense	86.5	80.8
Depreciation and amortization	419.5	412.2
EBITDA	843.6	861.3
Unrealized (gain) on operating derivatives	(9.6)	(9.2)
Restructuring costs, net of reversals	9.9	6.0
Transaction- and acquisition-related costs	3.4	1.4
Integration costs	(0.5)	12.9
Change in fair value of contingent consideration	(51.3)	(58.2)
Impairment losses	21.3	4.8
Other	2.7	(16.0)
Adjusted EBITDA	819.5	803.0

EBITDA was €843.6 million in 2024 compared with €861.3 million in 2023. This reflects a release of an acquisition related provision in 2023 that did not reoccur in 2024, as well as impairment losses and restructuring expenses related to the transfer of the Group's chilled carton manufacturing plant in Shanghai to the Group's aseptic carton facilities in Suzhou during the year. SIG plans to sell the Shanghai premises, the impairment charge is mainly related to the decline in real estate values in China. There has also been a reduction of €51.3 million in the fair value of the contingent consideration due to lower growth expectations for the bag-in-box and spouted pouch businesses in 2025.

Tax

The adjusted effective tax rate and the effective tax rate both increased in 2024 compared with 2023. The implementation of the OECD Pillar Two model rules, as well as the introduction of a 9% corporate tax rate in Dubai and the relative mix of profits and losses taxed at varying rates around the world, contributed to an increase in the overall tax rate. The adjusted effective tax rate was 27.7% in 2024 (2023: adjusted effective tax rate 24.7%), and the effective tax rate was 30.8% in 2024 (2023: effective tax rate 24.9%).

Net income and adjusted net income

Adjusted net income was €308.1 million in 2024 (2023: €318.2 million), reflecting higher depreciation, interest and tax expense partially offset by higher adjusted EBITDA.

Details of the reconciliation of profit for the period to adjusted net income can be seen in the table below.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Profit for the period	194.5	243.2
Non-cash foreign exchange impact of non-functional currency loans and realized foreign exchange impact due to refinancing	9.6	(1.3)
Amortization of transaction costs	2.8	4.8
Net change in fair value of financing-related derivatives	3.6	2.0
PPA depreciation and amortization – Onex acquisition	103.4	103.4
PPA amortization – Other acquisitions	47.1	47.7
Net effect of early repayment of loan	1.6	-
Other	1.3	-
Adjustments to EBITDA ³	(24.1)	(58.3)
Tax effect on above items	(31.7)	(23.3)
Adjusted net income	308.1	318.2

Net income was €194.5 million in 2024 (2023: €243.2 million). The decline was primarily due to impairment losses, restructuring expenses and a release of an acquisition-related provision in 2023 that did not recur in 2024.

Net capital expenditure including lease payments

The Group has included lease payments into its net capital expenditure definition to reflect the increased utilization of lease agreements in recent greenfield projects.

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
PP&E and intangible assets (net of sales)	126.6	163.7
Filling lines and other related equipment	180.6	232.9
Capital expenditure	307.2	396.6
Upfront cash	(143.3)	(146.0)
Net capital expenditure	163.9	250.6
Lease payments	51.7	47.2
Net capital expenditure, including lease payments	215.6	297.8

Net capital expenditure, including lease payments, decreased by €82.2 million to €215.6 million compared to €297.8 million in the prior year period. The reduction in capital expenditure partly reflects completion of capital projects. This includes construction of new aseptic sleeve plant in Mexico, a chilled carton production facility in China and the expansion of bag-in-box

³ For the different adjustments to EBITDA, refer to the adjusted EBITDA table above.

capacity in the USA. The remaining reduction in net capital expenditure reflects lower filler capex.

Upfront cash received for filling lines, which is included in net cash from operating activities, was at a similar absolute level to the prior period but increased as a percentage of filling line and other related equipment expenditure to 79% (2023: 63%). Upfront cash as a percentage of filling line and other related equipment expenditure can vary depending on the type of contract and location.

SIG placed 75 aseptic carton filling machines in field in 2024. Taking account of withdrawals, the number of SIG aseptic carton filling machines globally reached 1,434, a net increase of 46. Some of the filling machines retired during the year will be reconfigured and redeployed. New filling machines placed in field have significantly higher capacity than retired filling machines.

Free cash flow

(In € million)	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Net cash from operating activities	649.2	663.3
Acquisition of PP&E and intangible assets (net of sales)	(307.2)	(396.6)
Payment of lease liabilities	(51.7)	(47.2)
Free cash flow	290.3	219.5

Free cash flow increased by €70.8 million in 2024 to €290.3 million (2023: €219.5 million). This was primarily due to lower capital expenditures on PP&E following the completion of major investment projects, as well as a reduction in filler capex, including a one-off benefit from lower filler inventory.

Leverage

(In € million)	As of Dec. 31, 2024	As of Dec. 31, 2023
Gross debt	2,474.9	2,457.5
Cash and cash equivalents	303.4	280.9
Net debt	2,171.5	2,176.6
Net leverage ratio (last twelve months)	2.6	2.7

Net leverage as of 2024 was 2.6x (2023: 2.7x). The slight decrease compared to December 31, 2023, primarily reflects growth in adjusted EBITDA.

Return on capital employed (ROCE)

Post tax ROCE, computed at a reference tax rate of 30%, was 26.6% in 2024 compared with 27.3% in 2023. The change primarily reflects higher capital expenditure, including an increase in leased property.

Dividend

At the Annual General Meeting to be held on April 8, 2025 ("2025 AGM"), the Board will propose a dividend of CHF 0.49 per share (2023: CHF 0.48 per share). At the exchange rate as of December 31, 2024, this represented a dividend pay-out ratio of 65% of adjusted net income. If approved by the shareholders, the dividend will be paid from the foreign capital contribution reserves.

Governance

As previously announced, the Board has nominated Ola Rollén for election as Chair of the Board at the 2025 AGM. This follows the announcement in March 2024 that Andreas Umbach, the current Chair, has decided not to stand for re-election, having chaired the Company since the Initial Public Offering (IPO) in 2018.

Ola Rollén, a Swedish national, was previously the President and CEO, and a member of the board of directors, of the Swedish industrial group Hexagon AB from 2000 to 2022. In 2023, he was elected as the company's chair. At Hexagon, Ola Rollén established an impressive track record of delivering value. He was appointed CEO of Greenbridge S.A. in September 2024. Greenbridge is an investment company he co-founded in 2015 focusing on identifying companies that have the potential to drive the next industrial revolution.

As part of regular Board succession planning, Matthias Währen and Wah-Hui Chu, both of whom have been members of the Board since the Company's IPO in 2018, have decided not to stand for re-election. Thomas Dittrich, who joined the Board at the last AGM, is proposed to succeed Matthias Währen as Chair of the Audit and Risk Committee.

In addition, the Board has nominated Niren Chaudhary and Urs Riedener for election to the Board at the upcoming 2025 AGM.

Niren Chaudhary, a dual British and U.S. national, has held various high level leadership positions including as chair (2023 to 2024) and CEO of Panera Brands (2019 – 2023), COO and President of Krispy Kreme (2017 – 2019), and he has twenty years' experience working for Yum brands as President of Yum India (2007 – 2015) and President International KFC (2015 – 2017). He is also the founder and CEO of RA-Inspired Leadership and was a board member of DKMS Group (2023 – 2024). His extensive experience in the food service and hospitality industry provides valuable insights for SIG's continued expansion of its bag-in-box packaging in the food service sector.

Urs Riedener, a Swiss national, currently serves as the chair of Emmi, Switzerland's largest dairy, having previously led the company as CEO from 2008 to 2022. He previously held positions at Migros (2000 – 2008), Lindt & Sprüngli (1995 – 2000) and Kraft Jacobs Suchard (1993 – 1995). Urs Riedener is currently on the board of directors of Sandoz Group AG (since 2023), on the supervisory board of Schwarz Gruppe (since 2022), and on the board of directors of Bystronic AG (since 2014). With his extensive leadership experience in the food and beverage industry, he brings valuable insights of the Fast-Moving-Consumer-Goods industry to SIG.

Clean Holding B.V., which is beneficially owned by Laurens Last, has initiated legal action against the Company in arbitration. The claims of Clean Holding B.V. pertain to the contingent consideration under the share purchase agreement entered into in 2022 for the acquisition of Scholle IPN from Clean Holding B.V. Under the share purchase agreement, the contingent consideration depends on whether certain agreed revenue targets of the acquired business in the years 2023, 2024 and 2025 have been achieved. The Company determined that the prerequisites for the contingent consideration payments for the years 2023 and 2024 were not met. Against the background of this legal action, the Board has decided not to nominate Laurens Last for re-election as a director at the 2025 AGM.

Guidance

For 2025, the Group anticipates a broadly similar market environment as in the prior year. The Company expects total revenue growth at constant currency and constant resin⁴ for 2025 to be within a range of 3-5%.

The adjusted EBITDA margin is expected to be within the range of 24.5-25.5%. In line with its usual seasonality, the Group expects revenue growth and adjusted EBITDA margins to be higher in the second half of the year.

Guidance is subject to input costs and foreign currency volatility.

Net capital expenditure, including lease payments, is projected to be within the Group's target range of 7-9% of revenue.

The adjusted effective tax rate is forecast to be between 26 and 28% and the dividend pay-out is expected to be within a range of 50-60% of adjusted net income.

Mid-term guidance

The Company confirms its mid-term revenue growth guidance of 4-6% at constant currency and constant resin with growth expected in the upper half of this range. 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 of chilled carton, bag-in-box and spouted pouch.

Net capital expenditure, including lease payments, 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 is committed to its mid-term leverage guidance of towards 2x.

⁴ The resin escalator for the bag-in-box and spouted pouch businesses, which passes on movements of resin costs directly to customers, is not included in the guidance.

SIG today published its 2024 Annual Report. The Annual Report contains 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 on our website <https://www.sig.biz/en/investors/results-reports-presentations/2024>. Hard copies can be ordered free of charge from SIG Group AG, Laufengasse 18, 8212 Neuhausen am Rheinfall, Switzerland.

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About SIG

SIG is a leading solutions provider of packaging for better – better for our customers, for consumers, and for the 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 strive to create a net positive food packaging system.

Founded in 1853, SIG is headquartered in Neuhausen, Switzerland, and listed at the SIX Swiss Exchange. The skills and experience of our approximately 9,600 employees worldwide enable us to respond quickly and effectively to the needs of our customers in over 100 countries. In 2024, SIG produced 57 billion packs and generated €3.3 billion in revenue. SIG also has an AAA ESG rating by MSCI, a Platinum CSR rating by EcoVadis, and is included in the FTSE4Good Index. For more information, visit <https://www.sig.biz>

Disclaimer and 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 is not an offer to sell or a solicitation of offers to purchase or subscribe for securities.

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 utilize 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 IFRS Accounting Standards. 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 Accounting Standards 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 Accounting Standards, 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 Accounting Standards included in this media release.

Alternative performance measures

For additional information about alternative performance measures used by management that are not defined in IFRS accounting standards, including definitions and reconciliations to measures defined in IFRS Accounting Standards, please refer to the link below:

<https://www.sig.biz/en/investors/financial-definitions>