



H1 2023 financial results

SIG Group

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

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.

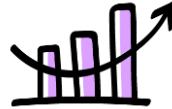
H1 2023 business highlights

Solid financial performance, strategic investments supporting future growth



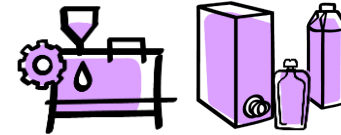
Solid revenue performance

- + Price increases driving top line growth
- + Acquisitions continue to perform well
- + Further cross selling wins



Price increases recovering cost inflation

- + Margin improvement continues



Strong innovation momentum underpinning future growth

- + Developments in carton structure increasing fibre content
- + New single serve carton bottle
- + Launch of new spouted pouch filling technology



Strategic investments to support growth opportunities

- + Growth in non-filler capex to support global footprint expansion
- + Increase in filler capex to meet high level of orders
- + Strong pipeline of new filler wins continues

H1 2023 financial highlights

Solid financial results with margin improvement

Revenue
€ 1,540.0 million

+35.1%

constant currency

+6.6%

organic⁽¹⁾
constant currency

+34.8%

reported

Adjusted EBITDA

€384

million
(H1 2022: €281 m)

Adjusted net
income

€144

million
(H1 2022: €124 m)

Free cashflow

€(213)

million
(H1 2022: €(9) m)

Adjusted EBITDA
margin

24.9%

(H1 2022: 24.6%)

Adjusted diluted
earnings per share

€0.38

(H1 2022: €0.36)



(1) Organic growth represents SIG aseptic carton revenue growth, excluding the impacts from the acquisitions of the bag-in-box, spouted pouch and chilled carton businesses

Q2 2023 financial highlights

Good revenue growth and continued margin improvement

Revenue

€811.0 million

+27.6%

constant currency

+6.4%

organic⁽¹⁾
constant currency

+25.6%

reported

Adjusted EBITDA

€209

million
(Q2 2022: €162 m)

Adjusted net income

€80

million
(Q2 2022: €80 m)

Free cashflow

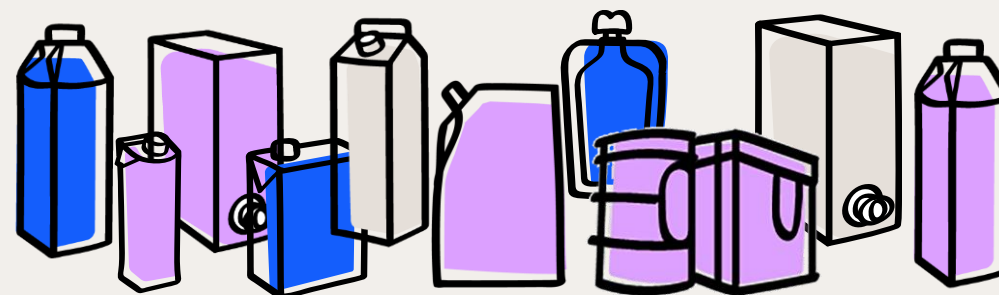
€(118)

million
(Q2 2022: €15 m)

Adjusted EBITDA margin

25.7%

(Q2 2022: 25.1%)



(1) Organic growth represents SIG aseptic carton revenue growth, excluding the impacts from the acquisitions of the bag-in-box, spouted pouch and chilled carton businesses

Continuous innovation

Sustainability is in our DNA

Materials science

>85%

fiber content in full barrier structures by 2025

>90%

share of fiber in aseptic cartons by 2030

Launch of SIG DomeMini

A carton with the convenience of a plastic bottle AND all the sustainability of a carton



New filling technology

Launch of 2nd generation SIG Neo CleanPouch 60



- New inline sterilization
- Compatible with mono-materials
- Scalable for high speeds

Regional summary

Europe

Strong revenue and adj. EBITDA margin recovery

€ million	H1 2023	H1 2022	Q2 2023
Revenue	491	376	250
Revenue growth ⁽¹⁾	30.6%		24.5%
Organic revenue growth ^{(1),(2)}	10.5%		9.8%
Adjusted EBITDA	137	99	
Adjusted EBITDA margin	27.8%	26.3%	

(1) At constant currency

(2) Excluding the impact of the bag-in-box and spouted pouch businesses

Regional summary

-  Organic revenue growth primarily reflected price increases to recover cost inflation
-  Strong growth in SIG Terra Alu-free and SIG Terra Alu-free + forest-based polymers
-  Margin improvement despite dilution from acquisitions reflected cost recovery through price increases
-  Continued to win new business including in Hungary, Romania and Czech Republic

Regional summary






Middle East and Africa

Strong margin expansion

€ million	H1 2023	H1 2022	Q2 2023
Revenue	163	155	87
Revenue growth ⁽¹⁾	4.2%		(5.3)%
Organic revenue growth ⁽¹⁾	4.2%		(5.3)%
Adjusted EBITDA	49	40	
Adjusted EBITDA margin	30.0%	25.7%	

(1) At constant currency

Regional summary

-  Strong prior year revenue growth (H1 2022: 16.8%)
-  Restriction of foreign currency availability in Egypt
-  Sub Sahara and West Africa leading growth primarily in liquid dairy
-  Strong margin expansion reflected price rises and lower freight costs
-  Broad presence in over 30 countries ensures fluctuations in one market are offset through the portfolio effect

Regional summary

Asia Pacific






Good volume recovery in Q2

€ million	H1 2023	H1 2022	Q2 2023
Revenue	450	367	254
Revenue growth ⁽¹⁾	26.1%		31.2%
Organic revenue growth ^{(1),(2)}	(0.8)%		7.0%
Adjusted EBITDA	129	116	
Adjusted EBITDA margin	28.8%	31.6%	

(1) At constant currency

(2) Excluding the impact of bag-in-box, spouted pouch and chilled carton businesses

Regional highlights

-  Q2 recovery reflects improved demand in China
-  Integration of chilled cartons: product improvements and enhanced customer service driving growth
-  SIG volume flexibility helping customers tackle inflation in SE Asia
-  High level of filler placements continued in H1
-  Margin impacted by dilution from acquisitions

Regional summary

Americas


Strong revenue growth and margin improvement

€ million	H1 2023	H1 2022	Q2 2023
Revenue	435	243	220
Revenue growth ⁽¹⁾	73.9%		47.5%
Organic revenue growth ^{(1),(2)}	14.1%		9.2%
Adjusted EBITDA	103	54	
Adjusted EBITDA margin	23.8%	22.0%	

(1) At constant currency

(2) Excluding the impact of bag-in-box and spouted pouch businesses

Regional highlights

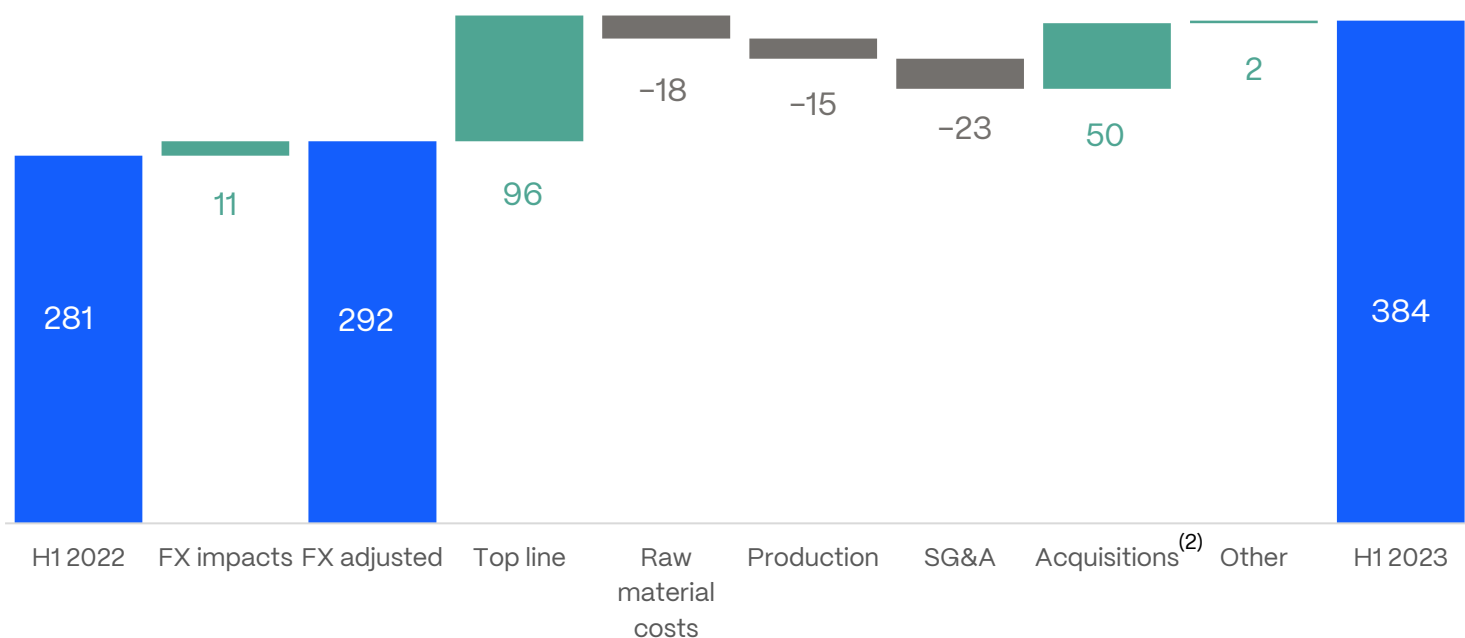
-  Deployment of new fillers for portion packs in South America supporting volume growth
-  Continued growth in food service in carton and bag-in-box in USA
-  Price increases, mix benefits and currency tailwinds more than offset margin dilution from acquisitions and ramp up of production costs from the new sleeves plant in Mexico
-  Continued cross selling wins for aseptic spouted pouch and bag-in-box with largest carton customers in USA (plant-based dairy) and Brazil (dairy) respectively

H1 Adjusted EBITDA

Adjusted EBITDA margin improvement coming through

€ million

24.6%⁽¹⁾



(1) Adjusted EBITDA as % of revenue

(2) Includes adjusted EBITDA movement for bag in box and spouted pouch businesses until May 31, and adjusted EBITDA for the chilled carton business up until June 30

- ⊕ Strong top line growth including price and positive mix
- ⊕ Price increases recovering cost inflation
- ⊕ Raw material costs hedged 53% for 2023
- ⊕ Lower production costs in Q2 as freight costs reduced
- ⊕ SG&A costs reflect investment in growth including R&D and regional expansion

Capital expenditure

Investment into growth markets and high level of filler orders

€ million	Six months ended June 30, 2023	Six months ended June 30, 2022
PP&E and intangible assets (net of sales)	93	17
Filling lines and other related equipment	129	70
Capital expenditure	222	87
Upfront cash	(51)	(71)
Net capital expenditure	171	15

- ⊕ H1 2023 includes:
 - Ramp up of sleeves plant in Mexico
 - Investment in sleeves plant in India
 - Digital printing in Europe
 - Expansion investments in bag-in-box and spouted pouch
 - High net filler capex

⊕ 2023 capex weighted towards H1

⊕ For FY 2023 net capital expenditure is expected to be within the guided range of 7-9% of revenue



Free cash flow

Higher capex and seasonal cash out flows

€ million or %	Six months ended June 30, 2023	Six months ended June 30, 2022	12 months ended Dec 31, 2022
Net cash from operating activities	31	94	578
Acquisition of property, plant and equipment and intangible assets (net of sales)	(222)	(87)	(281)
Payment of lease liabilities	(22)	(16)	(35)
Free cash flow	(213)	(9)	263
Net working capital	462	355	324
% of revenue	14.5% ⁽¹⁾	13.1% ⁽²⁾	10.5% ⁽³⁾
Operating net working capital⁽⁴⁾	14	(14)	(236)
% of revenue	0.4%⁽¹⁾	(0.5)%⁽²⁾	(7.6)%⁽³⁾

(1) In the calculation of the % of revenue as of June 30, 2023 revenue includes the revenue of chilled carton from July 1, 2022

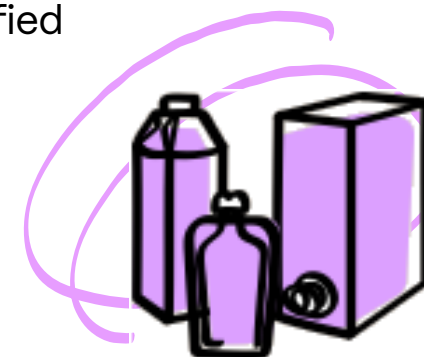
(2) In the calculation of the % of revenue as of June 30, 2022 revenue includes the revenue of bag-in-box/spouted pouch from July 1, 2021

(3) In the calculation of the % of revenue as of December 31, 2022 revenue includes the revenue of bag-in-box/spouted pouch and chilled carton from January 1, 2022

(4) Including liabilities for volume bonuses and other incentives to customers settled in following year



- ⊕ Cash generation weighted to second half of year
- ⊕ Elevated capital expenditure in H1
- ⊕ Net cash flow from operating activities included:
 - Seasonal net working capital increase incl. payments of 2022 customer incentives
 - Higher interest payments
- ⊕ Acquisitions have higher NWC requirements: opportunities for reduction identified



Leverage and financing

Leverage reflects cash flow seasonality

€ million	June 30, 2023 ⁽¹⁾	Dec 31, 2022 ⁽²⁾
Gross debt	2,794	2,684
Cash	212	504
Net debt	2,583	2,180
Net leverage ratio⁽³⁾	3.4x	3.1x

- (1) In the calculation of the net leverage ratio as of June 30, 2023 adjusted EBITDA includes the adjusted EBITDA of chilled carton from July 1, 2022
- (2) In the calculation of the net leverage ratio as of December 31, 2022 adjusted EBITDA includes the adjusted EBITDA of bag-in-box, spouted pouch and chilled carton from January 1, 2022
- (3) Last twelve months proforma

- + H1 cashflow reflects usual NWC seasonality, dividend payment and capital investment
- + €450 million loan repayment partially funded by a bridge facility of €350 million
- + Committed to reduce gross debt by year end 2023
- + Remain on track to reduce net leverage to 2.5x by end of 2024



2023 financial guidance maintained

Revenue growth
(constant currency)

20–22%

Includes organic⁽¹⁾
growth of **7–9%**

**Adjusted EBITDA
margin**

+50–150 bps

Range of
24–25%

**Adjusted effective
tax rate**

26–28%

Net CAPEX
(% revenue)

7–9%

Dividend payout ratio
(of adjusted net income)

50–60%

- Pass through resin escalator for bag-in-box and spouted pouch excluded from guidance
- Guidance subject to input cost and forex volatility



(1) Organic growth represents SIG revenue growth at constant currency, excluding the impacts of the bag-in-box, spouted pouch and chilled carton acquisitions

Thank you!

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