# MEDIA RELEASE

**29 October 2019**
**SIG Combibloc Group ("SIG")**

# Continued strong performance in growth markets

## Third quarter 2019 highlights

- Core revenue up 6.5% year-on-year at constant exchange rates; up 9.5% as reported
- Adjusted EBITDA up 9.8% year-on-year; adjusted EBITDA margin slightly higher at 27.7%
- Adjusted net income more than doubled at €53.8 million (third quarter 2018: €26.4 million)
- Full year guidance unchanged

### Key performance indicators:[1] Third quarter 2019

| *(In € million or %)* | **Three months ended 30 Sept. 2019** | **Three months ended 30 Sept. 2018** | **Change** | |
|---|---|---|---|---|
| | | | **Reported currency** | **Constant currency** |
| Core revenue[2] | 441.1 | 402.9 | 9.5% | 6.5% |
| Adjusted EBITDA | 123.8 | 112.8 | 9.8% | |
| Adjusted EBITDA margin[3] | 27.7% | 27.5% | | |
| Adjusted net income | 53.8 | 26.4 | | |

### Reported measures:[1] Third quarter 2019

| *(In € million or %)* | **Three months ended 30 Sept. 2019** | **Three months ended 30 Sept. 2018** | **Change** | |
|---|---|---|---|---|
| | | | **Reported currency** | **Constant currency** |
| Total revenue | 446.5 | 409.4 | 9.1% | 6.1% |
| EBITDA | 119.6 | 121.4 | (1.4%) | |
| Net income | 26.5 | 39.8 | | |

[1] 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, refer to the SIG 2019 Interim Report.
[2] Core revenue represents revenue to external customers and excludes sales of folding box board to third parties.
[3] Adjusted EBITDA as a percentage of total revenue.

## Key performance indicators:[1] Nine months 2019

| *(In € million or %)* | Nine months ended 30 Sept. 2019 | Nine months ended 30 Sept. 2018 | Change | |
|---|---|---|---|---|
| | | | Reported currency | Constant currency |
| Core revenue[2] | 1,235.6 | 1,146.4 | 7.8% | 5.6% |
| Adjusted EBITDA | 329.3 | 310.6 | 6.0% | |
| Adjusted EBITDA margin[3] | 26.4% | 26.5% | | |
| Adjusted net income | 134.3 | 74.8 | | |

## Reported measures:[1] Nine months 2019

| *(In € million or %)* | Nine months ended 30 Sept. 2019 | Nine months ended 30 Sept. 2018 | Change | |
|---|---|---|---|---|
| | | | Reported currency | Constant currency |
| Total revenue | 1,248.7 | 1,172.8 | 6.5% | 4.4% |
| EBITDA | 321.6 | 294.8 | 9.1% | |
| Net income | 51.7 | (7.8) | | |

## Revenue by region: Third quarter 2019

| *(In € million or %)* | Three months ended 30 Sept. 2019 | Three months ended 30 Sept. 2018 | Change | |
|---|---|---|---|---|
| | | | Reported currency | Constant currency |
| EMEA | 189.6 | 181.6 | 4.4% | 4.2% |
| APAC | 171.4 | 150.0 | 14.2% | 7.9% |
| Americas | 77.1 | 66.5 | 16.3% | 12.4% |
| Group Functions | 3.0 | 4.8 | | |
| **Core revenue from transactions with external customers** | 441.1 | 402.9 | 9.5% | 6.5% |
| Revenue from sales of folding box board | 5.4 | 6.5 | | |
| Total revenue | 446.5 | 409.4 | 9.1% | 6.1% |

Growth was good in all regions in the third quarter. The improvement in EMEA compared with the first half reflected a business upturn in markets in the Middle East and Africa. Demand for dairy products remained robust in APAC and sales benefited from the ramp-up of recent filler placements. Double digit growth in the Americas compares with a relatively weak third quarter in 2018 and was driven primarily by the United States and Mexico.

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[2] Core revenue represents revenue to external customers and excludes sales of folding box board to third parties
[3] Adjusted EBITDA as a percentage of total revenue.

## Revenue by region: Nine months 2019

| *(In € million or %)* | Nine months ended 30 Sept. 2019 | Nine months ended 30 Sept. 2018 | Change | |
|---|---|---|---|---|
| | | | Reported currency | Constant currency |
| EMEA | 547.8 | 538.2 | 1.8% | 1.6% |
| APAC | 455.5 | 404.0 | 12.7% | 7.8% |
| Americas | 221.6 | 195.3 | 13.5% | 11.3% |
| Group Functions | 10.7 | 8.9 | | |
| **Core revenue from transactions with external customers** | 1,235.6 | 1,146.4 | 7.8% | 5.6% |
| Revenue from sales of folding box board | 13.1 | 26.4 | | |
| Total revenue | 1,248.7 | 1,172.8 | 6.5% | 4.4% |

## EBITDA and adjusted EBITDA

Adjusted EBITDA increased by 9.8% year-on-year to €123.8 million in the third quarter and the EBITDA margin was slightly higher at 27.7%. For the first nine months, the adjusted EBITDA margin was 26.4% compared with 26.5% in the comparable period of 2018.

Revenue growth and currencies made a positive contribution to adjusted EBITDA in the third quarter and the first nine months, more than offsetting higher SG&A costs which include investments in innovation and growth markets as well as the additional costs of being a listed company. Strong cash flow generation by the Middle East joint venture meant that the dividend paid in the third quarter was slightly above the third quarter 2018 level; for the first nine months the dividend was below the comparable period of 2018.

EBITDA in the third quarter was slightly lower due to derivative gains in 2018 which were not repeated. For the first nine months, EBITDA increased by 9.1% relative to the prior year to €321.6 million. In addition to the contribution from revenue growth and currencies, the share of profit from joint ventures increased. Transaction costs were lower given that the company's IPO took place in September 2018. These positive elements more than offset higher SG&A costs and lower derivative gains.

## Net income and adjusted net income

Adjusted net income for the first nine months increased to €134.3 million compared with €74.8 million in the comparative period of 2018. The increase was a consequence of higher profit from operating activities and lower net finance expense following the reduction and re-financing of debt in connection with the IPO.[1]

[1]The positive impact of lower net finance expense on adjusted net income has been highlighted with the publication of pro forma adjusted net income on 26 February 2019 (Annual Report p. 20 and Full Year Results Media Release) and in the Q1 and H1 2019 Media Releases.

Net income was € 51.7 million in the first nine months of 2019 compared with a net loss of €7.8 million in the same period of 2018. The higher profit from operating activities and lower net finance expense, together with lower transaction costs, more than offset a reduction in derivative gains.

## Full year outlook

After strong growth in the first nine months of the year, notably in the third quarter, growth in the fourth quarter is likely to be muted. Guidance for the full year 2019 of core revenue growth of 4 - 6% at constant currency and an adjusted EBITDA margin of 27 - 28% is unchanged.


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**About SIG**
SIG is a leading systems and solutions provider for aseptic carton packaging. 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 unique technology and outstanding innovation capacity 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.

Founded 1853, SIG is headquartered in Neuhausen, Switzerland. The skills and experience of our approximately 5,000 employees worldwide enable us to respond quickly and effectively to the needs of our customers in over 60 countries. In 2018, SIG produced more than 35 billion carton packs and generated €1.7 billion in revenue. For more information, visit www.sig.biz.

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Some financial information in this media release 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.

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In this media release, we utilise certain alternative performance measures, including core revenue, EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted EBITDA margin less net capex margin, net capex, adjusted net income, free cash flow, cash conversion 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. Refer to the section "Financial review" and the consolidated interim financial statements in the 2019 Interim Report for SIG's definitions of the above alternative performance measures not defined in IFRS and reconciliations to measures defined in IFRS.

## Reconciliations

| (In € million) | Nine months ended 30 Sept. 2019 | Nine months ended 30 Sept. 2018 |
|---|---|---|
| **Profit / (loss) for the period** | **51.7** | **(7.8)** |
| Net finance expense | 27.4 | 76.2 |
| Income tax expense | 28.3 | 25.2 |
| Depreciation and amortisation | 214.2 | 201.2 |
| **EBITDA** | **321.6** | **294.8** |
| Adjustments to EBITDA: | | |
| Replacement of share of profit or loss of joint ventures with cash dividends received from joint ventures | 3.2 | 12.4 |
| Restructuring costs, net of reversals | 1.3 | 0.9 |
| Unrealised (gain) / loss on derivatives | (1.3) | (14.1) |
| Transaction-related costs | 2.7 | 12.4 |
| Other | 1.8 | 4.2 |
| **Adjusted EBITDA** | **329.3** | **310.6** |

| (In € million) | Nine months ended 30 Sept. 2019 | Nine months ended 30 Sept. 2018 |
|---|---|---|
| **Profit / (loss) for the period** | **51.7** | **(7.8)** |
| Non-cash foreign exchange impact of non-functional currency loans and realised foreign exchange impact due to refinancing | (7.0) | (35.8) |
| Amortisation of transaction costs | 2.1 | 10.0 |
| Net change in fair value of derivatives | 1.7 | 6.2 |
| PPA depreciation and amortisation | 102.7 | 105.0 |
| Adjustments to EBITDA | 7.7 | 15.8 |
| Tax effect on above items | (24.6) | (18.6) |
| **Adjusted net income** | **134.3** | **74.8** |