MEDIA RELEASE

28 October 2022
SIG Group AG ("SIG", the "Company" or the "Group")

Resilient business model delivering strong revenue growth

Third quarter and nine months 2022 highlights

- Third quarter constant currency revenue growth 41.2%, organic growth 7.0%
- First full quarter contribution from Scholle IPN; Evergreen Asia consolidated for 2 months
- Nine months constant currency revenue growth 22.5%, organic revenue growth 7.3%
- Third quarter adjusted EBITDA margin 23.2% (Q3 2021: 27.1%)
- Nine months adjusted EBITDA margin 24.0% (9M 2021: 27.2%)
- Successful and ongoing implementation of pricing strategy to mitigate cost inflation
- FY outlook: revenue growth above guided 22-24% range; adjusted EBITDA margin of around 25%

Revenue performance: Q3 2022

(In € million or %)	**Three months ended 30 Sept. 2022**	**Three months ended 30 Sept. 2021**	**Change**		**Organic[1]**
			Reported currency	**Constant currency**	**Constant currency**
Revenue	770.8	506.7	52.1%	41.2%	7.0%

1 Organic growth represents SIG revenue growth, excluding the impacts of the acquisition of Scholle IPN and Evergreen Asia.

Key performance indicators: Q3 2022

(In € million or %)	**Three months ended 30 Sept. 2022**	**Three months ended 30 Sept. 2021**
Adjusted EBITDA	178.8	137.1
Adjusted EBITDA margin	23.2%	27.1%
EBITDA	124.6	130.2
Adjusted net income	68.7	60.6
Net income	9.3	36.4

Revenue performance: Nine months 2022

(In € million or %)	Nine months ended 30 Sept. 2022	Nine months ended 30 Sept. 2021	Change Reported currency	Change Constant currency	Organic[1] Constant currency
Revenue	1,913.4	1,472.5	29.9%	22.5%	7.3%

[1] Organic growth represents SIG revenue growth, excluding the impacts of the acquisition of Scholle IPN and Evergreen Asia.

Key performance indicators: Nine months 2022

(In € million or %)	Nine months ended 30 Sept. 2022	Nine months ended 30 Sept. 2021
Adjusted EBITDA	459.3	401.2
Adjusted EBITDA margin	24.0%	27.2%
EBITDA	362.6	413.7
Adjusted net income	183.7	170.2
Net income	75.9	128.4
Free cash flow	92.1	141.7

Consolidation of Evergreen Asia

The acquisition of Evergreen Asia was completed on 2 August 2022 and the business has been consolidated from that date. The consideration was €330 million (subject to customary closing adjustments).

Revenue by region: Q3 2022

(In € million or %)	Three months ended 30 Sept. 2022	Three months ended 30 Sept. 2021	Change Reported currency	Change Constant currency
Europe	229.7	178.5	28.7%	28.6%
MEA	78.1	60.5	28.9%	18.1%
APAC	229.9	173.3	32.6%	20.2%
Americas	232.8	94.2	147.2%	112.5%
Group Functions	0.3	0.2		
Total revenue	**770.8**	**506.7**	**52.1%**	**41.2%**

Revenue by region: Nine months 2022

(In € million or %)	Nine months ended 30 Sept. 2022	Nine months ended 30 Sept. 2021	Change Reported currency	Change Constant currency
EMEA[1]	-	119.3		
Europe[1]	605.9	416.2		
MEA[1]	233.5	161.1		
APAC	597.3	504.0	18.5%	9.5%
Americas	475.9	268.4	77.3%	55.5%
Group Functions	0.8	3.5		
Total revenue	**1,913.4**	**1,472.5**	**29.9%**	**22.5%**

[1] Two months' revenue for EMEA in 2021, seven months' revenue for Europe and MEA in 2021.

Q3 regional revenue summary

In **Europe**, organic revenue growth in the third quarter of 2022 was 6.6% at constant exchange rates compared with Q3 2021 (9M 2022 vs. 9M 2021: +3.9%[1]). This reflects an increasing contribution from price rises while volume performance was solid, supported by the ramp-up of 15 fillers recently placed at a large Germany dairy. The European business has a strong presence across a wide range of non-discretionary products for daily consumption.

The first full quarter consolidation of Scholle IPN contributed €39 million of revenue to the region during Q3 with a strong presence in bag-in-box for institutional food and beverage.

In the **Middle East and Africa**, organic sales on a constant currency basis increased 18.1% in the third quarter of 2022 (9M 2022 vs. 9M 2021: +17.1%[1]). The strong sales growth in the quarter, and year to date, demonstrates a full recovery from 2021 which was adversely impacted by COVID-19 and drought in South Africa. In addition, the business is benefiting from price increases, new fillers in operation and a strategic push to increase its presence in liquid dairy packaging. SIG is also leading sustainability in the region with the launch of Recycle for Good in Egypt. This is a recycling initiative, the first of its kind in Egypt, where consumers can use an app to arrange for the collection of their used cartons.

In **Asia Pacific**, organic third quarter revenue declined 1.9% at constant currency compared with Q3 2021 (9M 2022 vs. 9M 2021: +4.1%[2]). Chinese sales volumes were affected by customers drawing down stocks accumulated during the lockdowns earlier in the year. There was also a reduction in gifting around national holidays as travel was reduced due to COVID-19 restrictions.

In Indonesia and Thailand milk supply was impacted by increased feedstock costs for cattle. There have been 32 filler wins year to date in India and South East Asia, reflecting a compelling offer underpinning future growth with new customers.

The consolidation of Scholle IPN and Evergreen Asia contributed €43 million to revenue in the region in Q3. Sales for bag-in-box are primarily in wine, foodservice and water and in retail for spouted pouch.

[1] Constant currency, organic growth excluding acquisition of Scholle IPN, Evergreen Asia and the impact of first time MEA JV consolidation

[2] Constant currency, organic growth excluding acquisition of Scholle IPN, Evergreen Asia and paper mill divestment.

Following the acquisition of Evergreen Asia, the team has secured its first chilled carton contract in the region with an existing aseptic carton customer.

Organic revenue growth in the **Americas** was 16.8% at constant currency in Q3 (9M 2022 vs. 9M 2021: +11.0%) excluding the effects of the Scholle IPN acquisition. The increase was driven by substantial price increases and by ongoing volume momentum especially in Brazil. The construction of a new sleeves plant in Mexico is on schedule to begin commercial production in Q1 2023.

The full quarter consolidation of Scholle IPN contributed €105 million to revenue in the region. Scholle IPN achieved strong revenue growth in Q3 2022 compared with Q3 2021. In North America this reflected pricing pass throughs for higher polymer costs as well as bag-in-box market share gains for concentrates in food service and processed fruit.

In Q3 six pouch filling machines were ordered by an existing customer who is expanding its market presence in the Americas.

Scholle IPN and Evergreen Asia contributed €187 million to **Group** revenue for the three months ended 30 September 2022.

EBITDA and adjusted EBITDA

Adjusted EBITDA increased to €459 million in the first nine months of 2022 (9M 2021: €401 million) including an initial contribution from Scholle IPN from June and Evergreen Asia from August. The adjusted EBITDA margin was 24.0% (9M 2021: 27.2%). This reflected the consolidation of the acquisitions and cost inflation in the aseptic carton business. Cost inflation reached its highest level in the third quarter. Price increases in the aseptic carton business have been successfully implemented over the course of the year and have exceeded expectations. These increases are staged and take some time to catch up with cost inflation. Further price increases have been initiated for 2023. The extent to which the Group has been able to offset inflationary pressures year to date demonstrates the resilience of the business model and the essential nature of the products filled by our customers.

EBITDA was €363 million (9M 2021: €414 million). In addition to the movements in adjusted EBITDA, the decline was largely due to acquisition and integration costs and to unrealised losses from derivatives relating to commodity hedging.

Net income and adjusted net income

Adjusted net income for the nine months ended 30 September 2022 was €184 million compared with €170 million in the 2021 comparative period. The increase was primarily due to higher adjusted EBITDA and positive foreign exchange movements offset by higher depreciation and amortisation.

Net income was €76 million for the nine months ended 30 September 2022 compared with €128 million in the 2021 comparative period. This reflected movements in EBITDA, incremental depreciation and amortisation and positive impacts from finance-related foreign currency movements.

Capital expenditure

For the nine months ended 30 September 2022 net capital expenditure was €88 million compared to €105 million in the comparative period. Investment in property, plant and equipment included the ramp-up of the sleeves plant in Mexico, which is on track for commercial production in Q1 2023, as well as the first-time inclusion of bag-in-box and spouted pouch capex.

Gross filler investment has continued at a good pace while net filler capex reflects high upfront payments for fillers in Europe.

Free cash flow

For the nine months ended 30 September 2022 free cash flow was €92 million (30 September 2021: €142 million). An increase in working capital reflected increased raw material prices and higher levels of inventories to manage ongoing supply chain challenges. Free cash flow also included acquisition-related costs.

Leverage

(In € million)	**As of 30 Sept. 2022[1]**	**As of 31 Dec. 2021[2]**
Gross debt	2,679.9	1,732.4
Cash and cash equivalents	369.9	304.5
Net debt	**2,310.0**	**1,427.9**
Net leverage ratio (last twelve months)	**3.2x**	**2.5x**

1 In the calculation of the net leverage ratio as of 30 September 2022, adjusted EBITDA (last twelve months) includes the adjusted EBITDA of Scholle IPN and Evergreen Asia from 1 October 2021.

2 In 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.

Net leverage increased compared with the end of 2021 due to the Scholle IPN and Evergreen Asia acquisitions. The issuing of €204 million of new shares in May, a Schuldschein placement for €650 million in June and the arrangement of a term loan for $270 million in July secured the long-term financing of the acquisitions and the repayment or cancellation of the acquisition bridge facilities.

The Company has a mid-term net leverage target of towards 2.0x with an interim milestone of 2.5x at the end of 2024.

2022 outlook

For the full year, the Company expects revenue to grow above the guided range of 22-24% at constant currency. This reflects higher volumes and pricing and includes a strong performance by the acquired Scholle IPN business.

In the second half of the year, the Group is experiencing higher costs compared with the same period in 2021. The contribution of price increases has been accelerating although, as the increases are staged, they offset cost inflation with a lag. The realisation of higher price increases in both the aseptic carton business and at Scholle IPN protects absolute adjusted EBITDA but compresses margin. In view of these factors, the full year margin is expected to be around 25%, rather than around 26%, a strong outcome in the current market context.

The Company confirms its guidance for the adjusted effective tax rate between 26% and 28% and for Capex as a percentage of revenue between 7% and 9% for 2022. The dividend policy remains unchanged with progressive growth of absolute dividend per share and a pay-out ratio of at least 50% to 60% of adjusted net income.

Investor contact:

Ingrid McMahon +41 52 543 1224
Director Investor Relations
SIG Group AG
Neuhausen am Rheinfall, Switzerland
Ingrid.mcmahon@sig.biz

Media contact:

Lemongrass Communications
Andreas Hildenbrand +41 44 202 5238
andreas.hildenbrand@lemongrass.agency

About SIG

SIG is a leading packaging solutions provider for a more sustainable 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 are going Way Beyond Good to create a net positive food packaging system.

Founded in 1853, SIG is headquartered in Neuhausen, Switzerland. The skills and experience of our approximately 8,400 employees worldwide enable us to respond quickly and effectively to the needs of our customers in over 100 countries.

In 2021, SIG produced 48 billion packs and generated €2.7 billion in revenue (incl. Scholle IPN and Evergreen Asia unaudited revenue). SIG has an AA ESG rating by MSCI, a 13.4 (low risk) score by Sustainalytics and a Platinum CSR rating by EcoVadis.

For more information, visit ***www.sig.biz***

For insights into trends that drive the food and beverage industry, visit our SIGnals blog: https://www.sig.biz/signals/en

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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.

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 utilise 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 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.

Alternative performance measures

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, please refer to the link below:

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

The following table reconciles profit for the period to EBITDA and adjusted EBITDA.

(In € million)	**Nine months ended 30 Sept. 2022**	**Nine months ended 30 Sept. 2021**
Profit for the period	**75.9**	**128.4**
Net finance (income)/expense	(16.9)	21.2
Income tax expense	32.8	38.0
Depreciation and amortisation	270.8	226.1
EBITDA	**362.6**	**413.7**
Adjustments to EBITDA:		
Unrealised loss/(gain) on operating derivatives	48.2	(17.1)
Replacement of share of profit or loss of joint ventures with cash dividends received from joint ventures	-	1.7
Restructuring costs, net of reversals	4.2	22.6
Loss on sale of subsidiary	-	12.1
Transaction- and acquisition-related costs	23.1	8.2
Integration costs	9.2	1.0
Realised gain on settlement of deal contingent derivative	(16.6)	-
Fair value adjustment on inventories	20.4	10.4
Gain on pre-existing interest in former joint ventures	-	(48.8)
Out-of-period indirect tax recoveries	-	(5.9)
Impairment losses	3.9	1.9
Other	4.3	1.4
Adjusted EBITDA	**459.3**	**401.2**

The table below is a summary of the reconciliation of profit for the period to adjusted net income.

(In € million)	**Nine months ended 30 Sept. 2022**	**Nine months ended 30 Sept. 2021**
Profit for the period	**75.9**	**128.4**
Non-cash foreign exchange impact of non-functional currency loans and realised foreign exchange impact due to refinancing	(26.3)	(12.5)
Amortisation of transaction costs	5.9	2.7
Realised gain on settlement of deal contingent derivative (relating to repayment of loan)	(15.5)	-
Net change in fair value of financing-related derivatives	(7.4)	-
Onex acquisition PPA depreciation and amortisation	77.5	78.1
Net effect of early repayment of loans	1.0	3.7
Interest on out-of-period indirect tax recoveries	-	(2.2)
Adjustments to EBITDA[1]	96.7	(12.5)
Tax effect on above items	(24.1)	(15.5)
Adjusted net income	**183.7**	**170.2**

[1] The adjustments made to EBITDA are detailed in the "EBITDA and adjusted EBITDA" table above.