



# MEDIA RELEASE

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SIG Combibloc Group ("SIG")

## SIG to acquire Evergreen fresh carton business in Asia

- Access to attractive market segment in Asia Pacific, especially China
- Fresh market growth in China driven by increasing awareness of the health benefits of milk
- Strategic bolt-on acquisition with attractive top and bottom line synergies
- Opportunity to develop the business with SIG's innovation capabilities to further drive segment growth
- Complementary technology with SIG's core aseptic business

SIG today announced that it has entered into an agreement to acquire Pactiv Evergreen Inc's Asia Pacific Fresh operations ("Evergreen Asia") for an enterprise value of \$335 million. For the twelve months to 31 December 2021, Evergreen Asia is expected to record revenue of around \$160 million and adjusted EBITDA of around \$28 million. On a proforma basis, the acquisition will represent approximately 7% of Group revenue. The transaction is expected to close in the second or third quarter of 2022, subject to customary closing conditions, and will be debt financed. The acquisition will be accretive to cash flow and earnings per share from year one.

Evergreen Asia supplies filling machines, cartons, closures and after-sales service to its customers in the fresh segment, mainly for milk, and has production facilities in China mainland, South Korea and Taiwan. They are the leading supplier in China mainland which accounts for approximately 50% of its revenue. The remaining revenue is largely derived from South Korea and Taiwan where they are among the leading suppliers. The business is starting to develop in other South East Asian markets, where SIG is already well positioned in the aseptic segment.

The acquisition will enable SIG to increase its share of wallet with existing customers and to access a new customer base. SIG plans to use its local R&D presence and innovation capabilities as well as its marketing expertise to introduce more innovative packaging formats in the fresh dairy market.

**Lidong Fan, President & General Manager Asia Pacific North**, said: "In China, milk is increasingly seen as an important source of protein and as good for health, representing an attractive growth opportunity for fresh as well as aseptic milk. The Evergreen Asia business adds fresh milk cartons to our strong liquid dairy portfolio which, until now, has been mainly focused on single serve packs and on-the-go consumption. As fresh milk is mainly consumed at home, this acquisition broadens our range with an increase in family-sized packs."

The complementary nature of Evergreen Asia's operations with those of SIG is expected to generate attractive revenue and cost synergies. As part of the transaction, SIG will be entering into a new coated carton board purchase agreement with Pactiv Evergreen Inc.

The enterprise value represents a multiple of around 12x the expected adjusted EBITDA for the last twelve months to 31 December 2021. Including the run rate of expected cost synergies and a board supply arrangement at market for coated carton board, this multiple would be around 9.5x. The transaction will be financed through a bridge facility with a maturity of up to 18 months. SIG

plans to refinance the bridge facility and access the debt capital markets for the long-term financing of the acquisition with a bond or other instrument.

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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. 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 5,900 employees worldwide enable us to respond quickly and effectively to the needs of our customers in around 70 countries. In 2020, SIG produced 38 billion carton packs and generated €1.8 billion in revenue. SIG has an AA ESG rating by MSCI, a 13.4 ESG Risk Rating (low risk) score from Sustainalytics and a Platinum CSR rating by EcoVadis. For more information, visit [www.sig.biz](http://www.sig.biz).