MEDIA RELEASE

26 July 2022
SIG Group AG ("SIG", the "Company" or the "Group")

Robust growth in a volatile environment

First half year 2022 highlights

- Revenue at constant currency up 12.4%; reported revenue up 18.3%
- First time contribution from Scholle IPN for one month following closing on 1 June 2022
- Organic revenue growth 7.5%: strong aseptic carton performance in all regions
- Price increases contributed to an acceleration of organic growth in Q2
- Price increases delivering margin benefit in H2 2022
- Full year outlook maintained

Revenue performance: H1 2022

(In € million or %)	Six months ended 30 June 2022	Six months ended 30 June 2021	Change		Organic[1]
			Reported currency	Constant currency	Constant currency
Revenue	1,142.6	965.8	18.3%	12.4%	7.5%

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

Key performance indicators: H1 2022

(In € million or %)	Six months ended 30 June 2022	Six months ended 30 June 2021
Adjusted EBITDA	280.5	264.1
Adjusted EBITDA margin	24.6%	27.3%
EBITDA	238.0	283.5
Adjusted net income	115.0	109.6
Net income	66.6	92.0
Free cash flow	(9.4)	25.0
Diluted EPS (in €)	0.19	0.28
Adjusted diluted EPS (in €)	0.33	0.33

Revenue performance: Q2 2022

(In € million or %)	Three months ended 30 June 2022	Three months ended 30 June 2021	Change Reported currency	Change Constant currency	Organic[1] Constant currency
Revenue	645.9	514.5	25.5%	17.9%	8.8%

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

Key performance indicators: Q2 2022

(In € million or %)	Three months ended 30 June 2022	Three months ended 30 June 2021
Adjusted EBITDA	161.8	146.2
Adjusted EBITDA margin	25.1%	28.4%
EBITDA	95.4	190.4
Adjusted net income	74.4	57.6
Net income	13.5	89.1

Samuel Sigrist, CEO of SIG Group, said: "Our business performed strongly in the first half of the year despite the volatile environment. Organic growth, including both volume and price increases, was robust and accelerated in Q2, especially when compared with an exceptional first half of 2021. Price increases were implemented across all regions, and in the second quarter revenue growth offset the impact of higher raw material costs.

We completed the acquisition of Scholle IPN on 1 June and I am very pleased to extend a warm welcome to all our new employees. Evergreen Asia is on track to close in the third quarter. These acquisitions expand our platform and cement our position as a leading solutions provider for sustainable liquid food and beverage packaging. The integration of Scholle IPN is well underway and our teams are working together to realise the many commercial and technology opportunities which have opened up.

The aseptic carton business continues to successfully address multiple avenues of growth. These include expansion in new categories and geographies, filler flexibility and format innovation, best-in-class service and a continuous drive to offer the most sustainable packaging.

Sustainability is at the forefront of all our operations and is a key reason for our high levels of employee motivation and engagement. Our sleeves production has been carbon neutral since 2018 and we are now actively increasing the proportion of on-site renewable energy. In Germany, we are already sourcing real-time renewable energy from wind turbines and this year we are installing our largest ever solar array at our Wittenberg plant with another installation planned at Linnich. Energy production from solar panels already in operation at our other sites more than doubled in 2021."

Consolidation of Scholle IPN

The acquisition of Scholle IPN was completed on 1 June 2022 and the business has been consolidated from that date.

Revenue by region: H1 2022

(In € million or %)	Six months ended 30 June 2022	Six months ended 30 June 2021	Change Reported currency	Change Constant currency
EMEA[1]	-	119.3		
Europe[1]	376.2	237.7		
MEA[1]	155.4	100.6		
APAC	367.4	330.7	11.1%	3.7%
Americas	243.1	174.2	39.5%	23.7%
Group Functions[2]	0.5	3.3		
Total revenue	**1,142.6**	**965.8**	**18.3%**	**12.4%**

[1]Two months' revenue for EMEA in 2021, four months' revenue for Europe and MEA in 2021.
[2]Group Functions include activities that are supportive to the Group's business.

Revenue by region: Q2 2022

(In € million or %)	Three months ended 30 June 2022	Three months ended 30 June 2021	Change Reported currency	Change Constant currency
Europe	200.7	177.3	13.2%	13.1%
MEA	92.7	71.3	30.0%	23.6%
APAC	203.8	173.7	17.4%	8.1%
Americas	148.5	92.1	61.2%	38.9%
Group Functions	0.2	0.1		
Total revenue	**645.9**	**514.5**	**25.5%**	**17.9%**

H1 regional revenue summary

Revenue in **Europe** in the first half of 2022 was 3.5% higher at constant currency, excluding the effects of the first-time consolidation of the previous MEA joint venture and the one-month contribution from Scholle IPN. The one-month consolidation of Scholle IPN contributed €12.5 million to revenue in the region.

Revenue growth accelerated in the second quarter of the year with a growing contribution from price increases. Drivers of volume growth included higher on-the-go consumption of non-carbonated soft drinks and continuing expansion into plant-based dairy alternatives. The new fillers placed with Hochwald in Germany are continuing their ramp-up as this customer's new plant is coming on stream.

In the **Middle East and Africa**, excluding the effect of the first-time consolidation of the former MEA joint venture, revenue grew by 16.8% at constant currency in the first half with even stronger growth in Q2. Market dynamics were favourable, with a strong post-COVID recovery across the region. The nonrecurrence of drought in South Africa benefitted liquid dairy sales. Growth also reflected price increases and new filler placements.

In **Asia Pacific**, revenue increased in the first six months by 7.6% at constant currency, excluding the impact of the Whakatane paper mill divestment and the one-month contribution from Scholle IPN. Revenue in China was affected by the COVID-19 lockdown restrictions, with some recovery in June. Revenue growth outside China was due to both volume growth, particularly in India and Indonesia, and price increases with accelerating growth in Q2. A record number of net filler wins in the first half demonstrated the competitive strength of SIG's offering with its flexible fillers.

Revenue growth in the **Americas** was 7.7% at constant currency in the first half excluding the effects of the Scholle IPN acquisition. The increase was driven by strong price increases and by ongoing volume momentum especially in Brazil. This reflected the high level of filler placements in previous quarters and ongoing expansion of the business in countries neighboring Brazil. The construction of a new sleeves plant in Mexico is on schedule to begin commercial production in Q1 2023.

The one-month consolidation of Scholle IPN contributed €31.3 million to revenue in the region.

EBITDA and adjusted EBITDA

	Six months ended 30 June 2022		**Six months ended 30 June 2021**	
(In € million or %)	**Adjusted EBITDA margin**	**Adjusted EBITDA**	**Adjusted EBITDA margin**	**Adjusted EBITDA**
EMEA[1]	-	-	32.2%	38.4
Europe[1]	26.3%	99.0	33.2%	78.8
MEA[1]	25.7%	40.0	32.2%	32.4
APAC	31.6%	116.1	27.4%	90.6
Americas	22.0%	53.6	28.6%	49.8
Group Functions[2]		(28.2)		(25.9)
Total	24.6%	280.5	27.3%	264.1

[1]Two months' adjusted EBITDA for EMEA in 2021, four months' adjusted EBITDA for Europe and MEA in 2021.
[2]Group Functions include activities that are supportive to the Group's business.

Adjusted EBITDA increased to €280.5 million in the first half of 2022 (H1 2021: €264.1 million) including an initial contribution from Scholle IPN in June. The adjusted EBITDA margin was 24.6% (H1 2021: 27.3%) reflecting higher raw material and freight costs. In the second quarter, higher revenues driven by volume and price increases largely offset higher raw material costs and price momentum is expected to continue in the second half of the year.

EBITDA was €238.0 million (H1 2021: €283.5 million). The decline was largely due to acquisition and integration costs and to the impact from derivatives that are part of the hedging strategy for currencies and commodities.

Net income and adjusted net income

Adjusted net income was €115.0 million compared with €109.6 million in H1 2021. The increase was primarily due to the increase in adjusted EBITDA.

Net income was €66.6 million in H1 2022 compared with €92.0 million in H1 2021, reflecting the movements in EBITDA.

Capital expenditure

Gross capital expenditure was €106.2 million in the first half of 2022 (H1 2021: €113.0 million). Investments in property plant and equipment was slightly higher due to the construction of a new plant in Mexico. Gross filler investment was lower but continued at a good pace. Net capital expenditure, after deduction of upfront cash received from customers, was €34.8 million (H1 2021: €68.0 million) reflecting the receipt of upfront cash for new fillers placed with a European customer.

Free cash flow

(In € million)	Six months ended 30 June 2022	Six months ended 30 June 2021
Net cash from operating activities	**93.5**	**150.5**
Acquisition of property, plant and equipment and intangible assets (net of sales)	(86.9)	(113.0)
Payment of lease liabilities	(16.0)	(12.5)
Free cash flow	**(9.4)**	**25.0**

The Group's cash generation is weighted towards the second half of the year due to the seasonality of the business. In H1 2022, net cash from operating activities was lower due to net working capital movements. This included inventory build-up, necessary to manage logistics delays, and higher customer rebate payments driven by the strong 2021 performance.

Leverage

(In € million)	As of 30 June 2022[1]	As of 31 Dec. 2021[2]
Gross debt	2,637.7	1,732.4
Cash and cash equivalents	526.2	304.5
Net debt	**2,111.5**	**1,427.9**
Net leverage ratio (last twelve months)	**3.1x**	**2.5x**

[1]In the calculation of the net leverage ratio as of 30 June 2022, adjusted EBITDA (last twelve months) includes the adjusted EBITDA of Scholle IPN from 1 July 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.

Leverage increased compared with the end of 2021 due to the Scholle IPN acquisition. The issuing of €204 million of new shares in May, a Schuldschein placement for €650 million in June and the arrangement of a bank 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 elevated cash position on 30 June 2022 includes funds available for the acquisition of Evergreen Asia upon closing.

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

Acquisitions

On 1 June 2022, the Group acquired 100% of the shares of Clean Flexible Packaging Holding B.V. (together with the acquired subsidiaries, “Scholle IPN”) from CLIL Holding B.V. (“CLIL”). CLIL is controlled by Laurens Last. Scholle IPN is a leading innovator of sustainable packaging systems and solutions for food and beverages.

The Group paid €415.5 million in cash (subject to customary closing adjustments) and transferred 33.75 million newly issued SIG shares with a fair value of €686.8 million at the time of the closing to CLIL as part of the consideration for Scholle IPN. The Group has retained an amount of €18.7 million that is payable upon the finalisation of the completion accounts and related adjustments. In addition, there is contingent consideration of a maximum of $300 million. The Group also repaid the external loans of Scholle IPN at the closing.

The Group announced on 5 January 2022 that it has entered into an agreement to acquire Evergreen’s fresh carton business in Asia Pacific (“Evergreen Asia”). The consideration will be based on an enterprise value of $335 million (subject to customary closing adjustments). The acquisition is expected to complete in Q3 2022.

Dividend

The Annual General Meeting (AGM) held on 7 April 2022 approved a dividend payment of CHF 0.45 per share for the year ended 31 December 2021, payable out of the capital contribution reserve (additional paid-in capital). The dividend payment was made on 14 April 2022 and totalled CHF 151.9 million (€147.9 million). For the year ended 31 December 2020, the shareholders were paid a dividend of CHF 0.42 per share (CHF 141.8 million or €128.1 million).

The pay-out ratio at 59% was within the targeted range of 50-60% of full year adjusted net income. The Company intends to continue its policy of progressive dividend per share growth following consummation of the acquisitions mentioned above.

2022 outlook

For the full year, the Company maintains its guidance provided on 1 March 2022. It expects revenue growth of 22-24% at constant currency. The adjusted EBITDA margin for the enlarged Group is expected to be around 26%, subject to no further major movements in input costs and foreign exchange rates. The effective tax rate is expected to be in a range of 26-28%. Net capital expenditure is forecast to be within a range of 7-9% of revenue and the dividend pay-out ratio is expected to be within, or slightly above, a range of 50-60% of adjusted net income.

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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 portfolio 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 8,000 employees worldwide enable us to respond quickly and effectively to the needs of our customers in over 100 countries. In 2021, SIG produced 45 billion packs and generated €2.5 billion in revenue (incl. Scholle IPN 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.

Disclaimer & 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.

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 to EBITDA and adjusted EBITDA.

(In € million)	**Six months ended 30 June 2022**	**Six months ended 30 June 2021**
Profit for the period	**66.6**	**92.0**
Net finance (income)/expense	(15.1)	15.2
Income tax expense	17.3	28.8
Depreciation and amortisation	169.2	147.5
EBITDA	**238.0**	**283.5**
Adjustments to EBITDA:		
Unrealised loss/(gain) on operating derivatives	13.2	(21.4)
Replacement of share of profit or loss of joint ventures with cash dividends received from joint ventures	-	1.6
Restructuring costs, net of reversals	4.2	22.1
Loss on sale of subsidiary	-	12.6
Transaction- and acquisition-related costs	16.6	6.8
Integration costs	6.3	0.6
Realised gain on settlement of deal contingent derivative	(11.9)	-
Fair value adjustment on inventories	9.3	10.4
Gain on pre-existing interest in former joint ventures	-	(48.8)
Out-of-period indirect tax recoveries	-	(5.9)
Impairment losses	3.0	1.1
Other	1.8	1.5
Adjusted EBITDA	**280.5**	**264.1**

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

(In € million)	**Six months ended 30 June 2022**	**Six months ended 30 June 2021**
Profit for the period	**66.6**	**92.0**
Non-cash foreign exchange impact of non-functional currency loans and realised foreign exchange impact due to refinancing	(19.0)	(10.6)
Amortisation of transaction costs	3.9	1.8
Realised gain on settlement of deal contingent derivative (relating to repayment of loan)	(15.5)	-
Onex acquisition PPA depreciation and amortisation	51.2	53.4
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]	42.5	(19.4)
Tax effect on above items	(15.7)	(9.1)
Adjusted net income	**115.0**	**109.6**

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