THIS IS SIG

Leading systems and solutions provider for aseptic packaging

INTERIM REPORT

2019

Who we are

SIG is a leading systems and solutions provider for aseptic carton packaging. We work in partnership with our customers to deliver food and beverages to consumers across 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 in 1853, SIG is headquartered in Neuhausen, Switzerland.

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Financial review

OVERVIEW

The table below presents an overview of our performance in the six months ended 30 June 2019. Further details, including definitions of the performance measures, are provided throughout this report.

(In € million or %)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**	**Change**	
			Reported currency	**Constant currency**
Total revenue	802.2	763.4	5.1%	3.4%
Core revenue	794.5	743.5	6.9%	5.1%
EBITDA	202.0	173.4	16.5%	
Adjusted EBITDA	205.5	197.8	3.9%	
Adjusted EBITDA margin	25.6%	25.9%		
Adjusted EBITDA less net capex margin	18.0%	14.4%		
Net income	25.2	(47.6)		
Adjusted net income	80.5	48.4		
Free cash flow	36.8	2.0		
Cash conversion	70.2%	55.5%		
Net capex	61.2	88.1		
Net capex as a % of total revenue	7.6%	11.5%		
Basic earnings / (loss) per share (in €) (1)	0.08	(0.22)		
Diluted earnings / (loss) per share (in €) (2)	0.08	(0.22)		
Adjusted earnings per share (in €) (3)	0.25	0.23		

(1) Calculated based on the weighted average number of shares for the period.

(2) Calculated based on the weighted average number of shares (diluted) for the period.

(3) Adjusted net income divided by the weighted average number of shares for the period.

Additional information about the alternative performance measures used by management (including reconciliations to measures defined in IFRS) is included in the consolidated interim financial statements for the six months ended 30 June 2019. See notes 9, 10 and 11.

OUR OPERATING PERFORMANCE

This section covers our operating performance on a Group as well as on a segment level. It includes performance measures that management believes are relevant in evaluating the Group's performance and liquidity.

When discussing our performance, and when relevant for comparative purposes, we state the percentage change between two periods on a constant currency basis. For this purpose, the prior period amount is translated at the foreign currency exchange rate of the current period.

Revenue

The table below provides an overview of revenue by segment as well as at Group level.

	Six months ended 30 June 2019	Six months ended 30 June 2018	Change	
(In € million or %)			**Reported currency**	**Constant currency**
EMEA	358.2	356.6	0.4%	0.3%
APAC	284.1	254.0	11.9%	7.7%
Americas	144.5	128.8	12.1%	10.7%
Group Functions [(1)]	7.7	4.1		
Core revenue from transactions with external customers [(2)]	**794.5**	**743.5**	**6.9%**	**5.1%**
Revenue from sales of folding box board	7.7	19.9		
Total revenue	**802.2**	**763.4**	**5.1%**	**3.4%**

(1) Group Functions include activities that are supportive to the Group's business.

(2) Core revenue represents revenue from transactions with external customers and excludes revenue from sales of folding box board to third parties.

In the six months ended 30 June 2019, core revenue grew by 6.9% (5.1% increase on a constant currency basis). This reflects a continuing strong performance in growth markets, including both APAC and Americas. Sales in EMEA were slightly higher.

In the six months ended 30 June 2019, total revenue grew by 5.1% (3.4% increase on a constant currency basis). The growth of total revenue, for which the drivers are discussed above, was partially offset by a decrease of €12.2 million in sales of folding box board, arising from the transition of our Whakatane Mill into an internal supplier of liquid paper board.

Operating expenses

Cost of sales

Cost of sales is approximately 80% of total revenue (73% excluding PPA depreciation and amortisation). In the six months ended 30 June 2019, the cost of sales increased by 5%, or €30.9 million (4% increase on a constant currency basis), from €603.3 million in the six months ended 30 June 2018 to €634.2 million in the six months ended 30 June 2019. Foreign currency exchange rate developments had a negative impact of €8.4 million. Net of the impact of foreign currency exchange rates, the increase in cost of sales was due to higher volumes, higher freight costs as a result of strikes in Europe in the first quarter of 2019 and higher depreciation expense, offset by positive production and input cost efficiencies.

Net other income and expenses

Net other income and expenses moved from €8.6 million of expenses in the six months ended 30 June 2018 to €6.5 million of income in the six months ended 30 June 2019. The primary contributor to this change was a positive €6.7 million net change in the fair value of derivatives entered into as part of our operating business, mainly relating to commodity hedges. In addition, transaction-related costs were €3.5 million lower in the current period compared to the comparative period. Both these items are included in the adjustments to EBITDA. Further details are provided in the section "EBITDA and adjusted EBITDA" below. A positive €3.0 million net change in foreign currency exchange gains and losses relating to operating activities also contributed positively to the change between the two periods presented.

Selling, marketing and distribution expenses

Selling, marketing and distribution expenses in the six months ended 30 June 2019 increased by 14%, or €4.1 million (13% increase on a constant currency basis), from €30.1 million in the six months ended 30 June 2018 to €34.2 million in the six months ended 30 June 2019. The increase was primarily driven by investments in growth regions and new markets. As a percentage of total revenue, selling, marketing and distribution expenses remained stable at 4%.

General and administrative expenses

General and administrative expenses in the six months ended 30 June 2019 increased by 4%, or €3.3 million (2% increase on a constant currency basis), from €79.7 million in the six months ended June 2018 to €83.0 million in the six months ended 30 June 2019. The increase was mainly driven by negative foreign currency exchange impacts and costs of being a listed company that did not occur in the comparative period. Phasing of R&D projects resulted in lower R&D spend in the current period. As a percentage of total revenue, general and administrative expenses remained stable at 10% (8% excluding PPA depreciation and amortisation).

Share of profit / (loss) of joint ventures

Our share of result from our joint ventures increased by €4.6 million as certain markets in the Middle East improved. Dividends received from the joint ventures declined by €4.0 million from €10.7 million in the six months ended 30 June 2018 to €6.7 million in the six months ended 30 June 2019 as a consequence of the joint ventures reporting a lower profit in the year ended 31 December 2018 compared to prior periods. The share of profit or loss of joint ventures is replaced with cash dividends received from joint ventures in the adjustments to EBITDA.

EBITDA and adjusted EBITDA

Adjusted EBITDA is used by management for business planning and to measure operational performance. We believe that adjusted EBITDA provides investors with further transparency in our operational performance and facilitates comparison of our performance on a period-to-period basis and versus peers.

We define EBITDA as profit or loss before net finance expense, income tax expense, depreciation of property, plant and equipment and right-of-use assets, and amortisation of intangible assets. Adjusted EBITDA is defined as EBITDA, adjusted to exclude certain non-cash transactions and items of a significant or unusual nature including, but not limited to, transaction- and acquisition-related costs, restructuring costs, unrealised gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write downs and share of profit or loss of joint ventures, and to include the cash impact of dividends received from joint ventures.

The following table reconciles profit or loss to EBITDA and adjusted EBITDA.

(In € million)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Profit / (loss) for the period	**25.2**	**(47.6)**
Net finance expense	20.9	80.3
Income tax expense	14.1	7.3
Depreciation and amortisation	141.8	133.4
EBITDA	**202.0**	**173.4**
Adjustments to EBITDA:		
Replacement of share of profit or loss of joint ventures with cash dividends received from joint ventures	3.8	12.4
Restructuring costs, net of reversals (1)	0.9	0.8
Unrealised (gain) / loss on derivatives (2)	(3.7)	3.0
Transaction-related costs (3)	1.6	5.1
Other (4)	0.9	3.1
Adjusted EBITDA	**205.5**	**197.8**

(1) Reflects restructuring costs that relate to redundancy and severance costs associated with cost savings initiatives and related legal expenses.

(2) We use derivative financial instruments to mitigate effects of fluctuations in foreign currency exchange rates and commodity prices, primarily resin and aluminium. We do not enter into derivative financial instruments for speculative purposes. This adjustment eliminates the non-cash gains and losses resulting from fair value changes of these instruments.

(3) Transaction-related costs include IPO-related costs that relate to the listing of existing shares on SIX Swiss Exchange in September 2018 and costs for pursuing other initiatives.

(4) Other for the six months ended 30 June 2019 primarily includes adjustments for costs related to certain cost savings initiatives. Other for the comparative period primarily includes adjustments for costs related to certain cost savings initiatives, management fees and a gain relating to the sale of a piece of land regarded as an investment property.

The table below provides details relating to adjusted EBITDA on a Group as well as on a segment level.

	Six months ended 30 June 2019		**Six months ended 30 June 2018**		
(In € million or %)	**Adjusted EBITDA margin (1)**	**Adjusted EBITDA**	**Adjusted EBITDA margin (1)**	**Adjusted EBITDA**	**Reported currency change**
EMEA	29.9%	107.2	32.8%	116.8	(8.3%)
APAC	31.5%	92.0	28.5%	78.0	18.0%
Americas	24.8%	35.8	25.3%	32.6	9.9%
Group Functions (2)		(29.5)		(29.6)	
Total	25.6%	205.5	25.9%	197.8	3.9%

(1) Adjusted EBITDA divided by revenue from transactions with external customers.

(2) Group Functions include activities that are supportive to the Group's business.

EBITDA in the six months ended 30 June 2019 increased by 17%, or €28.6 million, primarily due to growth in revenue and positive foreign currency movements that were partially offset by higher general and administrative expenses resulting from additional costs of being a listed company. The adoption of IFRS 16 *Leases* on 1 January 2019 also contributed positively to the growth in EBITDA (see further note 5.2 of the consolidated interim financial statements for the six months ended 30 June 2019).

Adjusted EBITDA in the six months ended 30 June 2019 increased by 4%, or €7.7 million, driven by the factors affecting EBITDA. Those factors were partially offset by lower dividends received from the Middle East joint ventures of €4.0 million compared to the prior period. The adjusted EBITDA margin remained broadly stable at 25.6% compared to 25.9% in the six months ended 30 June 2018.

The adjusted EBITDA margin of EMEA declined period-on-period as a result of lower dividends from the Middle East joint ventures and negative mix effects. Growth in revenue and positive foreign currency movements contributed to the increase in the adjusted EBITDA margin of APAC. The adjusted EBITDA margin of Americas was broadly unchanged, due to growth in revenue and positive foreign currency movements that were offset by combismile ramp-up costs and higher freight costs due to strikes in Europe in the first quarter of 2019.

The adjusted EBITDA less net capex margin increased from 14.4% in the six months ended 30 June 2018 to 18.0% in the six months ended 30 June 2019 as a result of lower net capex as a percentage of total revenue. Adjusted EBITDA less net capex margin is defined as adjusted EBITDA less net capital expenditure divided by total revenue.

Net income and adjusted net income

Adjusted net income is used by management to measure performance. Management believes that adjusted net income is a meaningful measure because by removing certain non-recurring charges and non-cash expenses, the Group's operating result directly associated with the period's performance is presented. The use of adjusted net income may also be helpful to investors because it provides consistency and comparability with past performance and facilitates period-to-period comparisons of results of operations.

Adjusted net income is defined as profit or loss adjusted to exclude certain items of significant or unusual nature including, but not limited to, the non-cash foreign exchange impact of non-functional currency loans, amortisation of transaction costs, the net change in fair value of financing-related derivatives, purchase price allocation ("PPA") depreciation and amortisation, adjustments made to reconcile EBITDA to adjusted EBITDA and the estimated tax impact of the foregoing adjustments. The PPA depreciation and amortisation arose due to the acquisition accounting that was performed when the SIG Group was acquired by Onex in 2015.

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

(In € million)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Profit / (loss) for the period	**25.2**	**(47.6)**
Non-cash foreign exchange impact of non-functional currency loans and realised foreign exchange impact due to refinancing	(5.3)	3.8
Amortisation of transaction costs	1.4	6.5
Net change in fair value of derivatives	1.8	5.8
PPA depreciation and amortisation	68.8	70.1
Adjustments to EBITDA [(1)]	3.5	24.4
Tax effect on above items	(14.9)	(14.6)
Adjusted net income	**80.5**	**48.4**

(1) The adjustments made to EBITDA are detailed in the "EBITDA and adjusted EBITDA" section above.

Net income (profit or loss for the period) as well as adjusted net income increased in the six months ended 30 June 2019. The primary drivers behind the increase are lower interest expense as a result of the refinancing that took place after the IPO in September 2018, growth in revenue and positive foreign currency movements. These favourable factors were partially offset by higher general and administrative expenses as a consequence of being a listed company. Adjusted net income was also negatively impacted by lower dividends from the joint ventures.

The effective tax rate changed from a negative 18% in the six months ended 30 June 2018 to 36% in the six months ended 30 June 2019. The effective tax rate in both periods reflects the relative mix of profits and losses taxed at varying tax rates in the jurisdictions in which we operate. The tax base and the corresponding effective tax rate in both periods were materially influenced by the different financing structures as well as the previous years' negative foreign currency exchange rate fluctuations. Our adjusted effective tax rate was reduced from 31% in the six months ended 30 June 2018 to 26% in the six months ended 30 June 2019.

Cash flows

The table below provides an overview of our cash flows.

(In € million)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Net cash from operating activities	120.8	105.1
Net cash used in investing activities	(78.4)	(88.0)
Net cash used in financing activities	(121.6)	(9.4)
Net increase / (decrease) in cash and cash equivalents	**(79.2)**	**7.7**

Net cash from operating activities increased by €15.7 million in the six months ended 30 June 2019. The increase was primarily a function of lower interest payments due to deleveraging that took place after the IPO, partially offset by net cash outflows from net working capital in the current period. Inventory levels were lower in the comparative period due to stronger than expected demand in the second quarter of 2018.

Investing cash flows improved primarily due to lower capex spending in the current period, partly offset by lower dividends received from the joint ventures and the sale of land held as an investment in Switzerland, which generated €13.9 million of cash in the comparative period. Regarding filling machine capital expenditure, we typically receive a portion of the total consideration for a filling line as an upfront payment from the customer as further explained in the section below on "Net capital expenditure". The cash outflow relating to filling lines is therefore generally lower than implied by the gross capital expenditure figure included as part of the net cash used in investing activities. Payments received for filling lines (including upfront payments) are presented as part of net cash from operating activities.

Cash used in financing activities in the current period was significantly impacted by the dividend payment of €99.0 million made by SIG in April.

Free cash flow

Free cash flow is used by management to evaluate the performance of the Group. Free cash flow is defined as net cash from operating activities plus dividends received from the joint ventures less capital expenditure and payments of lease liabilities.

The following table reconciles net cash from operating activities to free cash flow.

(In € million or %)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Net cash from operating activities	**120.8**	**105.1**
Dividends received from joint ventures	6.7	10.7
Acquisition of PP&E and intangible assets	(86.7)	(112.9)
Payment of lease liabilities	(4.0)	(0.9)
Free cash flow	**36.8**	**2.0**
Cash conversion (1)	70%	55%

(1) Adjusted EBITDA less net capital expenditure divided by adjusted EBITDA.

The €34.8 million improvement in free cash flow in the six months ended 30 June 2019 is a consequence of higher net cash from operating activities, primarily due to lower interest payments, but partly offset by net cash outflows from net working capital and lower capex spending.

The cash conversion rate improved period-on-period as a result of lower net capital expenditure and higher adjusted EBITDA compared to the prior period.

Net capital expenditure (“net capex”)

The table below provides an overview of our capital expenditure.

(In € million or %)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
PP&E (excluding filling machines)	20.5	28.9
Gross filling machines	66.2	84.0
Capital expenditure (gross)	**86.7**	**112.9**
Upfront cash (for filling machines)	(25.5)	(24.8)
Net capital expenditure	**61.2**	**88.1**
In % of total revenue	7.6%	11.5%

Capital expenditure primarily consists of capital expenditure related to own production, plant and equipment (PP&E capital expenditure, excluding filling machines) and of market-driven capital expenditure in respect of the manufacture and deployment of filling machines with customers (filling machine capital expenditure).

Capital expenditure for PP&E consists of (i) capital expenditure required to maintain existing facilities, referred to as maintenance capital expenditure, and (ii) capital expenditure to upgrade existing facilities and construct new facilities, referred to as expansion capital expenditure.

Gross filling machine capital expenditure relates to the deployment of new filling machines with customers, as well as the replacement of existing filling machines. In connection with the deployment of our filling machines, we typically receive a portion of the total consideration as an upfront payment from the customer, which we define as upfront cash. As a result, our cash outflow related to filling machines is generally lower than implied by the gross filling machines capital expenditure figure. Management therefore focuses on net capex, which is defined as capital expenditure less upfront cash. Upfront cash is defined as consideration received as an upfront payment for the filling machines from our customers. Net capex better demonstrates the cash generation of the business.

Net capex as a percentage of total revenue decreased from 11.5% in the six months ended 30 June 2018 (8.5% for the full year 2018) to 7.6% in the six months ended 30 June 2019. The lower capex spend in the first half of 2019 compared to the prior period can be explained by higher capital expenditure in 2018 due to the construction of new filling machines in APAC as a result of new customer wins, the continuation of the launch of our product combismile and the completion of sleeves plant efficiency projects in EMEA.

OUR CAPITAL STRUCTURE

This section includes information about our financing in the form of loans and borrowings and equity.

Changes to our capital structure in 2018

SIG Combibloc Group AG made an initial public offering ("IPO") and its shares were listed on SIX Swiss Exchange on 28 September 2018 (ticker symbol: SIGN). The IPO resulted in the issue of 105,000,000 new shares at CHF 11.25 per share, resulting in €1,005.3 million of net proceeds.

Part of the net proceeds from the issue of new shares were used to pay down debt. At the same time, the Company repaid its existing term loans and entered into two new term loans (term loan A of €1,250 million and term loan B of €350 million) and a new €300 million revolving credit facility. Outstanding notes of €675 million were also redeemed in connection with the IPO. The refinancing transactions have resulted in lower interest expense and interest payments in the six months ended 30 June 2019.

Net debt and leverage

The table below presents the components of net debt as of 30 June 2019 and 31 December 2018.

(In € million)	**As of 30 June 2019**	**As of 31 Dec. 2018**
Gross total debt	1,621.7	1,618.7
Cash and cash equivalents [1]	78.6	157.1
Net total debt	1,543.1	1,461.6
Total net leverage ratio [2] (last twelve months)	**3.3x**	**3.2x**

(1) Includes restricted cash.

(2) Net total debt divided by adjusted EBITDA.

For a description of the Company's indebtedness, refer to Note 16 *Loans and borrowings* in the consolidated interim financial statements.

The Group's lease liabilities increased by €15.9 million as a result of the adoption of IFRS 16 *Leases* on 1 January 2019, which had an impact on the Group's gross debt. The increase in gross debt was partially offset by mandatory repayments of a portion of the term loans. Cash and cash equivalents were lower as of 30 June 2019 compared with 31 December 2018 due to the dividend payment of €99.0 million in April 2019. These factors have resulted in a slight increase in leverage as of 30 June 2019. Leverage is impacted by seasonality of cash flows, which are weighted to the second half of the year, and payment of the dividend to shareholders.

Net finance expense

(In € million)	Six months ended 30 June 2019	Six months ended 30 June 2018
Interest income	1.3	1.9
Net foreign currency exchange gain / (loss)	7.0	(0.7)
Net change in fair value of derivatives	(1.8)	(5.8)
Net interest expense on interest rate swaps	(0.6)	(0.1)
Interest expense on:		
- Notes	-	(26.1)
- Senior secured credit facilities	(17.0)	(37.8)
- Lease liabilities	(1.1)	(0.2)
Amortisation of original issue discount	(1.5)	(0.7)
Amortisation of transaction costs	(1.4)	(6.5)
Other	(5.8)	(4.3)
Net finance expense	(20.9)	(80.3)

Net finance expense in the six months ended 30 June 2019 decreased by 74%, or €59.4 million. The decrease was primarily due to €46.0 million of lower interest expense as a result of the deleveraging after the IPO in September 2018, €7.7 million net positive retranslation effects of loans and borrowings and a positive net change in fair value of derivatives of €4.0 million.

Debt rating

	Company rating		As of	Term loan A	Term loan B
Moody's	Ba3	Stable	Oct 2018	Ba3	Ba3
S&P	BB+	Stable	Nov 2018	BB+	BB+

OUTLOOK

For 2019, we target core revenue growth of 4-6% at constant currencies. We target an adjusted EBITDA margin of 27-28%, taking account of a lower dividend payment by our two Middle East joint ventures in view of the challenging conditions in some of their markets in 2018. Net capital expenditure is forecast to be in the range of 8-10% of total revenue and we expect to generate substantial free cash flow.

In the mid-term, we expect our business to continue to demonstrate its resilience. This is underpinned by our exposure to non-discretionary consumption of food and beverages, our ongoing expansion in growth markets and the excellent environmental profile of our products. We maintain our medium-term targets of a core revenue growth of 4-6% at constant currencies and an adjusted EBITDA margin of around 29%. Net capital expenditure is expected to remain in the range of 8-10% of total revenue. We plan a dividend pay-out ratio of 50-60% of adjusted net income for years after 2018, while reducing net leverage towards 2x.

KEY EVENTS

The section below summarises key events that have not been addressed in previous sections of the financial review.

Change in Board of Directors

On 11 April 2019, the Annual General Meeting re-elected the following members of the Board of Directors: Andreas Umbach (Chairman), Matthias Währen, Colleen Goggins, Werner Bauer, Wah-Hui Chu, Mariel Hoch and Nigel Wright. David Mansell was not proposed to be re-elected.

OTHER DISCLOSURES

Seasonality

Our business experiences moderate seasonal fluctuations, primarily due to annual volume rebate programmes on sleeves that generally end in the fourth quarter. Our customers tend to purchase additional sleeves prior to the end of the year to reflect consumption patterns and to avail themselves of annual volume rebates, typically resulting in higher sales during the fourth quarter. This results in relatively lower sales in the first quarter, with inventory returning to normal levels and the settlement of annual volume rebates that have been accrued over the course of the year. These factors contribute to an increase in working capital levels and lower cash flows from operating activities in the first quarter. In addition, demand in end-markets is incrementally impacted by seasonal consumption trends.

Dividends

A dividend of CHF 0.35 per share, totalling CHF 112.0 million (€99.0 million) was paid to shareholders out of the capital contribution reserve in April 2019. No dividends were paid in the year ended 31 December 2018.

Foreign currencies

We operate internationally and transact business in a range of currencies. Denomination differences between costs and sales expose us to foreign currency exchange rate risks. While our reporting currency is the Euro, we generate a significant portion of our revenue and costs in currencies other than Euro. We therefore translate results, as well as assets and liabilities, into Euro at exchange rates in effect during or at the end of each reporting period, as applicable. Increases or decreases in the value of the Euro against other currencies in countries where we operate will affect our results of operations and the value of balance sheet items denominated in foreign currencies.

We supply semi-finished and finished goods to certain of our non-European operations in Euro and a number of our key raw material suppliers charge us for raw materials in Euros or in US Dollars. As a result, a greater portion of our costs is denominated in Euros and, to a lesser extent, US Dollars as compared to the related revenue generated in those currencies. Accordingly, changes in the exchange rates of the Euro and the US Dollar compared to the currencies in which we sell our products could adversely affect our results of operations. We expect to mitigate some of these cost mismatches in future periods with the opening and expansion of local production facilities in certain markets, continuing efforts to qualify local suppliers and by using foreign currency exchange derivatives.

The significant exchange rates against the Euro applied during the periods are presented below.

	Average rate for the period ended			Spot rate as of		
	30 June 2019	**30 June 2018**	**31 Dec. 2018**	**30 June 2019**	**30 June 2018**	**31 Dec. 2018**
Brazilian Real (BRL)	4.34012	4.13513	4.29386	4.35110	4.48760	4.44400
Chinese Renminbi (CNY)	7.66461	7.70832	7.80368	7.81850	7.71700	7.87510
Swiss Franc (CHF)	1.12962	1.16965	1.15485	1.11050	1.15690	1.12690
Mexican Peso (MXN)	21.65811	23.07644	22.70877	21.82012	22.88168	22.49212
New Zealand Dollar (NZD)	1.68098	1.69115	1.70513	1.69599	1.72471	1.70559
Thai Baht (THB)	35.71051	38.42250	38.16260	34.89702	38.56500	37.05202
U.S. Dollar ($)	1.12973	1.21027	1.18082	1.13801	1.16580	1.14500

Summary financial information

Summary consolidated interim statement of profit or loss and other comprehensive income

(In € million)	Six months ended 30 June 2019	Six months ended 30 June 2018
Revenue	802.2	763.4
Cost of sales	(634.2)	(603.3)
Gross profit	**168.0**	**160.1**
Other income	8.6	3.6
Selling, marketing and distribution expenses	(34.2)	(30.1)
General and administrative expenses	(83.0)	(79.7)
Other expenses	(2.1)	(12.2)
Share of profit / (loss) of joint ventures	2.9	(1.7)
Profit from operating activities	**60.2**	**40.0**
Finance income	8.3	1.9
Finance expenses	(29.2)	(82.2)
Net finance expense	**(20.9)**	**(80.3)**
Profit / (loss) before income tax	**39.3**	**(40.3)**
Income tax expense	(14.1)	(7.3)
Profit / (loss) for the period	**25.2**	**(47.6)**
Total comprehensive income	**74.8**	**(88.2)**

Summary consolidated interim statement of financial position

(In € million)	As of 30 June 2019	As of 31 Dec. 2018
Cash and cash equivalents	78.6	157.1
Property, plant and equipment	1,052.5	1,068.8
Total assets	4,435.4	4,482.6
Loans and borrowings	1,597.2	1,591.4
Total liabilities	2,563.7	2,587.1
Total equity	1,871.7	1,895.5

Consolidated interim financial statements for the six months ended 30 June 2019

SIG Combibloc Group AG

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Consolidated interim statement of profit or loss and other comprehensive income

(In € million)	Note	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Revenue	6, 7	802.2	763.4
Cost of sales		(634.2)	(603.3)
Gross profit		**168.0**	**160.1**
Other income	8	8.6	3.6
Selling, marketing and distribution expenses		(34.2)	(30.1)
General and administrative expenses		(83.0)	(79.7)
Other expenses	8	(2.1)	(12.2)
Share of profit / (loss) of joint ventures		2.9	(1.7)
Profit from operating activities		**60.2**	**40.0**
Finance income		8.3	1.9
Finance expenses		(29.2)	(82.2)
Net finance expense	17	**(20.9)**	**(80.3)**
Profit / (loss) before income tax		**39.3**	**(40.3)**
Income tax expense		(14.1)	(7.3)
Profit / (loss) for the period	9	**25.2**	**(47.6)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translations of foreign operations:			
- recognised in translation reserve		36.2	(38.4)
- transfer from translation reserve		-	0.1
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		13.4	(2.3)
Total other comprehensive income, net of income tax		**49.6**	**(40.6)**
Total comprehensive income		**74.8**	**(88.2)**
Basic earnings / (loss) per share *(in €)*	10	0.08	(0.22)
Diluted earnings / (loss) per share *(in €)*	10	0.08	(0.22)

Consolidated interim statement of financial position

(In € million)	Note	As of 30 June 2019	As of 31 Dec. 2018
Cash and cash equivalents	19	78.6	157.1
Trade and other receivables	15	174.0	242.7
Inventories		193.7	144.4
Current tax assets		1.0	1.0
Other current assets		32.4	19.2
Total current assets		**479.7**	**564.4**
Non-current receivables		6.4	4.4
Investments in joint ventures		195.2	198.7
Deferred tax assets		16.9	12.1
Property, plant and equipment	5.2, 12	1,052.5	1,068.8
Right-of-use assets	5.2, 13	45.7	-
Intangible assets	14	2,465.4	2,486.6
Employee benefits		154.5	129.3
Other non-current assets		19.1	18.3
Total non-current assets		**3,955.7**	**3,918.2**
Total assets		**4,435.4**	**4,482.6**
Trade and other payables		363.5	440.6
Loans and borrowings	5.2, 16	42.1	34.9
Current tax liabilities		23.3	25.6
Employee benefits		36.8	34.6
Provisions		16.4	20.1
Other current liabilities		54.7	53.4
Total current liabilities		**536.8**	**609.2**
Non-current payables		9.5	7.6
Loans and borrowings	5.2, 16	1,555.1	1,556.5
Deferred tax liabilities		182.0	187.8
Employee benefits		121.0	108.7
Provisions		16.6	16.1
Other non-current liabilities		142.7	101.2
Total non-current liabilities		**2,026.9**	**1,977.9**
Total liabilities		**2,563.7**	**2,587.1**
Share capital		2.8	2.8
Additional paid-in capital		2,059.8	2,158.8
Translation reserve		(105.9)	(142.1)
Treasury shares	18	(0.2)	-
Retained earnings		(84.8)	(124.0)
Total equity		**1,871.7**	**1,895.5**
Total liabilities and equity		**4,435.4**	**4,482.6**

Consolidated interim statement of changes in equity

(In € million)	Note	Share capital	Additional paid-in capital	Translation- reserve	Treasury shares	Retained earnings	Total equity
Equity as of 1 January 2019		**2.8**	**2,158.8**	**(142.1)**	**-**	**(124.0)**	**1,895.5**
Profit for the period						**25.2**	**25.2**
Other comprehensive income							
Items that may be reclassified to profit or loss							
Currency translations of foreign operations:							
- recognised in translation reserve				36.2			**36.2**
Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit plans						13.4	**13.4**
Total other comprehensive income, net of income tax		**-**	**-**	**36.2**	**-**	**13.4**	**49.6**
Total comprehensive income for the period		**-**	**-**	**36.2**	**-**	**38.6**	**74.8**
Share-based payments	22					0.7	**0.7**
Purchase of treasury shares	18				(0.3)		**(0.3)**
Settlement of share-based payment plans and arrangements	18				0.1	(0.1)	**-**
Dividends	18		(99.0)				**(99.0)**
Total transactions with owners		**-**	**(99.0)**	**-**	**(0.2)**	**0.6**	**(98.6)**
Equity as of 30 June 2019		**2.8**	**2,059.8**	**(105.9)**	**(0.2)**	**(84.8)**	**1,871.7**
Equity as of 1 January 2018		**2.2**	**1,154.1**	**(81.5)**	**-**	**(38.0)**	**1,036.8**
Loss for the period						**(47.6)**	**(47.6)**
Other comprehensive income							
Items that may be reclassified to profit or loss							
Currency translations of foreign operations:							
- recognised in translation reserve				(38.4)			**(38.4)**
- transfer from translation reserve				0.1			**0.1**
Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit plans						(2.3)	**(2.3)**
Total other comprehensive income, net of income tax		**-**	**-**	**(38.3)**	**-**	**(2.3)**	**(40.6)**
Total comprehensive income for the period		**-**	**-**	**(38.3)**	**-**	**(49.9)**	**(88.2)**
Equity as of 30 June 2018		**2.2**	**1,154.1**	**(119.8)**	**-**	**(87.9)**	**948.6**

Consolidated interim statement of cash flows

(In € million)	Note	Six months ended 30 June 2019	Six months ended 30 June 2018
Cash flows from operating activities			
Profit / (loss) for the period		25.2	(47.6)
Adjustments for:			
Depreciation and amortisation	12, 13, 14	141.8	133.4
Impairment losses		0.2	-
Change in fair value of derivatives		(3.7)	3.0
Change in share-based payment plans and arrangements		0.7	-
Gain on sale of property, plant and equipment and non-current assets		(0.2)	(0.8)
Share of profit / (loss) of joint ventures		(2.9)	1.7
Net finance expense	17	20.9	80.3
Interest paid		(21.8)	(67.4)
Payment of transaction and other costs relating to financing		-	(0.8)
Income tax expense		14.1	7.3
Income taxes paid, net of refunds received		(31.1)	(28.8)
		143.2	**80.3**
Change in trade and other receivables		62.7	102.7
Change in inventories		(47.4)	(33.8)
Change in trade and other payables		(75.2)	(50.9)
Change in provisions and employee benefits		(1.0)	0.4
Change in other assets and liabilities		38.5	6.4
Net cash from operating activities	11	**120.8**	**105.1**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(86.7)	(112.9)
Proceeds from sale of property, plant and equipment and other assets		1.2	14.1
Dividends received from joint ventures		6.7	10.7
Investment in joint venture		-	(0.6)
Interest received		0.4	0.7
Net cash used in investing activities	11	**(78.4)**	**(88.0)**
Cash flows from financing activities			
Payments relating to the IPO	18	(3.4)	-
Repayment of loans and borrowings	16	(15.6)	(10.4)
Payment of lease liabilities	16	(4.0)	(0.9)
Proceeds from sale and leaseback transactions	16	-	1.1
Purchase of treasury shares	18	(0.3)	-
Payment of dividends	18	(99.0)	-
Other		0.7	0.8
Net cash used in financing activities	11	**(121.6)**	**(9.4)**
Net increase / (decrease) in cash and cash equivalents		**(79.2)**	**7.7**
Cash and cash equivalents as of the beginning of the period		157.1	103.9
Effect of exchange rate fluctuations on cash and cash equivalents		0.7	0.9
Cash and cash equivalents as of the end of the period	19	**78.6**	**112.5**

BASIS OF PREPARATION

This section includes information about the parent company and the Group as well as about the preparation of the consolidated interim financial statements. It also explains the structure of the consolidated interim financial statements.

1 Reporting entity and overview of the Group

SIG Combibloc Group AG ("SIG" or the "Company") is domiciled in Switzerland and is listed on SIX Swiss Exchange.

Prior to its initial public offering ("IPO") on 28 September 2018, the Company was named SIG Combibloc Group Holdings S.à r.l. (also the "Company", as explained below) with its domicile in Luxembourg. In September 2018, the Company migrated into Switzerland and changed its name to SIG Combibloc Group AG.

"Company" refers to SIG Combibloc Group AG in relation to the period after the IPO and to SIG Combibloc Group Holdings S.à r.l. in relation to the period before the IPO.

The Company, via its subsidiaries, obtained control of SIG Combibloc Group AG (a subsidiary renamed to SIG Combibloc Services AG in connection with the IPO) and SIG Holding USA, LLC and their respective subsidiaries (together the "SIG Group") at the close of business on 13 March 2015.

The consolidated interim financial statements for the six months ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the "Group"). The subsidiaries and joint ventures reflected in the consolidated interim financial statements of the Company are listed in note 25 of the consolidated financial statements for the year ended 31 December 2018.

The Group is a global system supplier of aseptic carton packaging solutions for both beverage and liquid food products, ranging from juices and milk to soups and sauces. Its solutions offering consists of aseptic carton packaging filling machines, aseptic carton packaging sleeves and closures as well as after-market services.

2 Preparation of the consolidated interim financial statements

The consolidated unaudited interim financial statements for the six months ended 30 June 2019 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). They were approved by the Board of Directors of the Company on 26 July 2019. They also comply with the Listing Rules of SIX Swiss Exchange and with Swiss company law.

These consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2018. They do not include all of the information required for a complete set of IFRS financial statements. However, they include information required to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the consolidated financial statements for the year ended 31 December 2018 and certain other information deemed relevant.

3 Structure of the consolidated interim financial statements

The consolidated interim financial statements are structured into different sections that should facilitate an overview and understanding of the Group's operations, financial position and performance. The notes are included in these sections based on their relevance and include information that is material and relevant to the consolidated interim financial statements.

BASIS OF PREPARATION	OUR OPERATING PERFORMANCE	OUR OPERATING ASSETS AND LIABILITIES	OUR FINANCING AND FINANCIAL RISK MANAGEMENT	OUR GROUP STRUCTURE AND RELATED PARTIES	OUR PEOPLE	OTHER
1 Reporting entity and overview of the Group 2 Preparation of the consolidated interim financial statements 3 Structure of the consolidated interim financial statements 4 Key events and transactions 5 General accounting policies and topics	6 Revenue 7 Segment information 8 Other income and expenses 9 Alternative performance measures 10 Earnings per share 11 Cash flow information	12 Property, plant and equipment 13 Right-of-use assets 14 Intangible assets 15 Trade and other receivables	16 Loans and borrowings 17 Finance income and expenses 18 Equity 19 Financial risk management	20 Group entities 21 Related parties	22 Share-based payment plans and arrangements	23 Financial instruments and fair value information 24 Contingent liabilities 25 Subsequent events

4 Key events and transactions

There were no key events or special transactions occurring in the six months ended 30 June 2019.

Regarding the comparative information presented for the six months ended 30 June 2018, it should be noted that the Group was significantly affected by the IPO in September 2018 and the refinancing transactions that took place in connection with the IPO. The refinancing transactions have resulted in lower interest expense and interest payments.

5 General accounting policies and topics

5.1 Application of accounting policies

The accounting policies applied by the Group in the consolidated interim financial statements for the six months ended 30 June 2019 are, except as noted below and in section 5.2, consistent with those applied in the consolidated financial statements for the year ended 31 December 2018.

The Group has in 2019 introduced share-based payment plans for certain members of management. These plans are accounted for under IFRS 2 *Share-based Payment*. The members of the Board of Directors are since January 2019 partly compensated in the form of SIG shares. See note 22 for further information. The Group is settling its obligations under the share-based payment plans and arrangements via purchases of own shares. The treasury shares are accounted for under IAS 32 *Financial Instruments: Presentation*. See note 18 for further information.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

5.2 Impact of new or amended standards and interpretations

A number of new or amended standards and interpretations were effective for annual periods beginning on 1 January 2019. The applicable standards and interpretations had no, or no material, impact on the consolidated interim financial statements. However, IFRS 16 *Leases* is the most relevant standard for the Group.

IFRS 16 *Leases*

IFRS 16 *Leases* replaces the current guidance under IFRS on leases (including IAS 17 *Leases*) and contains new requirements in relation to the accounting for leases by lessees.

The Group adopted IFRS 16 on 1 January 2019, applying the standard's modified retrospective approach. Comparative information has therefore not been restated. The Group applied IFRS 16 only to contracts that were previously identified as leases.

Assets leased by the Group are under IFRS 16 recognised on the statement of financial position as a right-of-use asset with a corresponding liability, representing the present value of the future lease payments. However, leases of low-value assets and short-term leases continue to be accounted for off-balance sheet as allowed by the standard's practical expedients. Leases with a remaining contract period of 12 months or less on 1 January 2019 have also been accounted for off-balance sheet. Under IAS 17, assets leased by the Group were classified as finance leases if the terms of the lease contract transferred substantially all the risks and rewards of ownership to the Group. All other leases were classified as operating leases and accounted for off-balance sheet.

The Group is not materially impacted by IFRS 16. The Group recognised lease liabilities as of 1 January 2019 of €15.9 million relating to lease contracts that previously were accounted for as operating leases. The same amount has been recognised as right-of-use assets. No adjustment of the right-of-use assets was required for any onerous lease contracts. The Group also chose to exclude initial direct costs from the measurement of the right-of-use assets upon the adoption of IFRS 16. As a consequence, there was no impact of adopting IFRS 16 on the Group's opening retained earnings as of 1 January 2019.

For leases that were classified as finance leases under IAS 17 (including leases under sale and leaseback transactions resulting in finance leases), the carrying amounts of lease liabilities and right-of-use assets as of 1 January 2019 equal the carrying amounts of finance lease liabilities and related assets immediately before this date. Assets with a carrying amount of €27.6 million were reclassified from property, plant and equipment to right-of-use assets. The Group's finance lease liabilities amounted to €26.5 million as of 31 December 2018.

The table below provides an overview of the impact on the Group's financial position of the transition to IFRS 16.

(In € million)	**1 January 2019**
Operating lease commitments disclosed as of 31 December 2018	**20.2**
IFRS 16 recognition exemptions:	
Leases of low-value assets	(1.1)
Short-term leases (including leases with a remaining contract period of 12 months or less as of 1 January 2019)	(2.2)
Impact of discounting	(1.0)
Lease liabilities as of 1 January 2019 for contracts previously accounted for as operating leases, discounted using the incremental borrowing rate as of 1 January 2019	**15.9**
Finance lease liabilities as of 31 December 2018	26.5
Total lease liabilities as of 1 January 2019	**42.4**
Right-of-use assets as of 1 January 2019 relating to contracts previously accounted for as operating leases	**15.9**
Assets as of 31 December 2018 relating to contracts previously accounted for as finance leases	27.6
Total right-of-use assets as of 1 January 2019	**43.5**

When measuring the lease liabilities as of 1 January 2019 for contracts that were previously accounted for as operating leases, the weighted-average discount rate applied was 2.51%.

The right-of-use assets are presented separately on the face of the statement of financial position, while the lease liabilities are included in loans and borrowings. Further details about the accounting for these items are included in notes 13 and 16.

With the exception of certain variable lease payments and lease payments for leases of low-value assets and short-term leases, the larger part of the Group's total lease expense for lease contracts that previously were accounted for as operating leases will under IFRS 16 be presented as depreciation of right-of-use assets and interest expense on the lease liabilities rather than as part of operating expenses as under IAS 17. The Group recognised €2.6 million of depreciation charges and €0.2 million of interest expense in the six months ended 30 June 2019 relating to lease contracts that were previously accounted for off-balance sheet. The expense relating to lease contracts that are accounted for off-balance sheet in the six months ended 30 June 2019 totals €1.7 million.

Lease payments under operating lease contracts were included in cash flows from operating activities under IAS 17. Variable lease payments that are not included in the measurement of the lease liability, lease payments for leases of low-value assets and short-term leases as well as payments for the interest portion of the lease liability are also included in cash flows from operating activities under IFRS 16. Payments for the principal portion of the lease liability are presented as part of cash flows from financing activities. Payments of €2.5 million for the six months ended 30 June 2019 presented as part of cash flows from financing activities relate to lease contracts for which such payments were previously included in cash flows from operating activities.

The Group is as a lessee impacted by new disclosure requirements under IFRS 16, most of them applicable only for year-end financial statements.

The accounting for lease contracts by lessors remains substantially unchanged under IFRS 16. There is no change in the accounting for the Group's filling lines deployed with customers under contracts accounted for as operating leases.

5.3 Adoption of standards and interpretations in 2020 and beyond

A number of new or amended standards and interpretations are effective for annual periods beginning on 1 January 2020 or later and have not been applied in preparing these consolidated interim financial statements. The Group does not plan to adopt these standards and interpretations before their effective dates. Many of them are not applicable to the Group or are expected to have no, or no material, impact on the consolidated financial statements.

5.4 Critical accounting judgements, estimates and assumptions

The significant judgements made by management and the key estimates and assumptions used in the preparation of the consolidated interim financial statements for the six months ended 30 June 2019 are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2018, with the exception of estimates required in determining taxes on income in interim periods (see section 5.1).

5.5 New or changed accounting policies and other topics relating to the consolidated interim financial statements as a whole

5.5.1 Leases

The Group as lessee

The Group leases a few buildings as well as facility and production equipment that in the past qualified to be accounted for as finance leases (including sale and leaseback transactions resulting in finance leases). It also leases assets including offices, some production-related buildings and equipment, warehouses and cars that qualified to be accounted for as operating leases. Since the adoption of IFRS 16 *Leases*, the majority of the leases are accounted for on-balance sheet (see further note 5.2).

Under IAS 17 (until 31 December 2018)

Leases where the Group is the lessee were classified as finance leases whenever the terms of the lease contract transferred substantially all the risks and rewards of ownership to the Group. All other leases were classified as operating leases. The Group's sale and leaseback transactions qualified to be accounted for as finance leases.

Under IFRS 16 (from 1 January 2019)

The majority of the Group's leased assets are recognised as right-of-use assets with corresponding lease liabilities. See notes 13 and 16 for further details about the accounting for right-of-use assets and lease liabilities.

Leases of low-value assets and short-term leases (leases with a lease term of 12 months or less) are accounted for off-balance sheet. The lease payments are recognised as an expense on a straight-line basis over the lease term. Variable lease payments that are not included in the measurement of lease liabilities are also accounted for off-balance sheet, and recognised as expense when incurred. The Group's off-balance sheet leases have an insignificant impact on the Group's result.

The accounting for sale and leaseback transactions depends on whether the initial transfer of the Group's underlying asset to the buyer-lessor is a sale. If the transfer of the asset is not a sale (i.e. control of the asset is retained), the Group accounts for the transaction as a financing transaction. The asset is kept on the statement of financial position (as part of property, plant and equipment) and a financial liability is recognised equal to the proceeds received from the buyer-lessor. The financial liability is decreased by the payments made less the portion considered interest expense. If the transfer of the asset is a sale (i.e. control of the asset is transferred), the Group derecognises the underlying asset and applies lease accounting to the lease back. The right-of-use asset is measured at the retained portion of the previous carrying amount of the asset. Such a transfer may result in a gain or loss.

OUR OPERATING PERFORMANCE

This section covers our operating performance on a Group as well as on a segment level. It includes alternative performance measures that management believes are relevant in evaluating the Group's performance and liquidity.

6 Revenue

Revenue derives from the sale of goods (i.e. filling lines, sleeves, closures and board) and the provision of after-market services and is presented net of returns, trade discounts, volume rebates and other customer incentives. The Group also presents lease income from the deployment of filling lines under contracts that qualify to be accounted for as operating leases and revenue under royalty agreements as part of revenue.

Composition of revenue

The Group has recognised the following amounts of revenue.

(In € million)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Revenue from sale and service contracts (including royalty agreements)	758.9	728.7
Revenue from filling line contracts accounted for as operating leases	43.3	34.7
Total revenue	**802.2**	**763.4**
of which		
Core revenue	**794.5**	**743.5**

Core revenue represents revenue generated from the Group's core activities and excludes revenue from sales of folding box board, which amounted to €7.7 million for the six months ended 30 June 2019 and €19.9 million for the six months ended 30 June 2018. Core revenue is not a defined performance measure in IFRS (see further note 9).

The Group's total revenue is further disaggregated by major product/service lines in the following table. Filling line revenue is composed of revenue from the deployment of filling lines under contracts that qualify to be accounted for as operating leases and from the sale of filling lines. Service revenue relates to after-market services in relation to the Group's filling lines. Revenue under royalty agreements and from the sale of folding box board is included in other revenue.

(In € million)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Revenue from sale of sleeves and closures	658.9	621.7
Filling line revenue	52.0	39.6
Service revenue	51.4	45.2
Other revenue	39.9	56.9
Total revenue	**802.2**	**763.4**

The Group's three segments (EMEA, APAC and Americas) are providing the same aseptic carton packaging solutions, comprising filling machines, sleeves and closures as well as after-market services. The split of revenue between revenue from sale of sleeves and closures, filling line revenue and service revenue is broadly the same at Group level, between the Group's three segments and over time. Other revenue is mainly divided between EMEA and APAC. See note 7 for further information about the Group's segments.

Seasonality

The Group's business experiences moderate seasonal fluctuations, primarily due to annual volume rebate programmes on sleeves that generally end in the fourth quarter. Customers tend to purchase additional sleeves prior to the end of the year to reflect consumption patterns and to avail themselves of annual volume rebates, typically resulting in higher sales during the fourth quarter. This results in relatively lower sales in the first quarter, with inventory returning to normal levels and the settlement of annual volume rebates that have been accrued over the course of the year. These factors contribute to an increase in working capital levels and lower cash flows from operating activities in the first quarter. In addition, demand in end-markets is incrementally impacted by seasonal consumption trends.

7 Segment information

The Group has three operating segments, which are also the reportable segments: Europe, Middle East and Africa ("EMEA"), Asia Pacific ("APAC") and Americas. All segments provide aseptic carton packaging solutions.

Segment financial information

The following tables present financial information about the Group's segments. Group Functions include activities that are supportive to the Group's business. The same measurement basis is used when presenting the segment information as used in the Group's consolidated interim financial statements.

	Six months ended 30 June 2019						
(In € million)	**EMEA**	**APAC**	**Americas**	**Total segments**	**Group Functions**	**Reconciling items**	**Total**
Revenue from transactions with external customers	358.2	291.8	144.5	**794.5**	7.7	-	**802.2**
Revenue from inter-segment transactions	119.3	5.8	-	**125.1**	21.8	(146.9)	**-**
Segment revenue	477.5	297.6	144.5	**919.6**	29.5	(146.9)	**802.2**
Core revenue from transactions with external customers [(1)]	358.2	284.1	144.5	**786.8**	7.7	-	**794.5**
Adjusted EBITDA [(2)]	**107.2**	**92.0**	**35.8**	**235.0**	**(29.5)**	**-**	**205.5**

	Six months ended 30 June 2018						
(In € million)	**EMEA**	**APAC**	**Americas**	**Total segments**	**Group Functions**	**Reconciling items**	**Total**
Revenue from transactions with external customers	356.6	273.9	128.8	**759.3**	4.1	-	**763.4**
Revenue from inter-segment transactions	102.7	5.1	2.7	**110.5**	19.3	(129.8)	**-**
Segment revenue	459.3	279.0	131.5	**869.8**	23.4	(129.8)	**763.4**
Core revenue from transactions with external customers [(1)]	356.6	254.0	128.8	**739.4**	4.1	-	**743.5**
Adjusted EBITDA [(2)]	**116.8**	**78.0**	**32.6**	**227.4**	**(29.6)**	**-**	**197.8**

(1) Core revenue from transactions with external customers represents revenue from external customers, excluding revenue from sales of folding box board to third parties. Core revenue is not a defined performance measure in IFRS (see further note 9).

(2) The performance of the segments is presented with reference to adjusted EBITDA. Adjusted EBITDA is defined as EBITDA, adjusted to exclude certain non-cash transactions and items of a significant or unusual nature and to include the cash impact of dividends received from joint ventures. EBITDA and adjusted EBITDA are not defined performances measure in IFRS. Refer to note 9 for the detailed definitions of these performance measures and the reconciliation between the Group's profit or loss, EBITDA and adjusted EBITDA.

See note 5.2 for the impact on adjusted EBITDA of the adoption of IFRS 16 *Leases* on 1 January 2019.

8 Other income and expenses

Other income and expenses relate to activities and transactions that are outside the Group's principal revenue generating activities. Foreign currency exchange gains and losses and fair value changes on commodity and foreign currency exchange derivatives entered into as part of the operating business are also presented as other income and expenses. Activities and transactions of a significant or unusual nature are generally adjusted for in the performance measures adjusted EBITDA and adjusted net income used by management (see note 9).

9 Alternative performance measures

Management uses a number of measures to assess the performance of the Group that are not defined in IFRS, including core revenue, adjusted EBITDA, adjusted net income, adjusted earnings per share, net capital expenditure and free cash flow.

These alternative non-IFRS performance measures are presented as management believes that they are important supplemental measures of the Group's performance. Management believes that they are useful and widely used in the markets in which the Group operates as a means of evaluating performance. In certain cases, these alternative performance measures are also used to determine compliance with covenants in the Group's credit agreement and compensation of certain members of management. However, these alternative performance measures should not be considered as substitutes for the information contained elsewhere in these consolidated interim financial statements.

This note includes information about adjusted EBITDA and adjusted net income. Core revenue is presented in notes 6 and 7, adjusted earnings per share in note 10, and net capital expenditure and free cash flow in note 11.

Adjusted EBITDA

Adjusted EBITDA is used by management for business planning and to measure operational performance. Management believes that adjusted EBITDA provides investors with further transparency in the Group's operational performance and facilitates comparison of the performance of the Group on a period-to-period basis and versus peers.

EBITDA is defined as profit or loss before net finance expense, income tax expense, depreciation of property, plant and equipment and right-of-use assets, and amortisation of intangible assets. Adjusted EBITDA is defined as EBITDA, adjusted to exclude certain non-cash transactions and items of a significant or unusual nature including, but not limited to, transaction- and acquisition-related costs, restructuring costs, unrealised gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write-downs and share of profit or loss of joint ventures, and to include the cash impact of dividends received from joint ventures.

See note 5.2 for the impact on adjusted EBITDA of the adoption of IFRS 16 *Leases* on 1 January 2019.

The following table reconciles profit or loss to EBITDA and adjusted EBITDA.

(In € million)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Profit / (loss) for the period	**25.2**	**(47.6)**
Net finance expense	20.9	80.3
Income tax expense	14.1	7.3
Depreciation and amortisation	141.8	133.4
EBITDA	**202.0**	**173.4**
Adjustments to EBITDA:		
Replacement of share of profit or loss of joint ventures with cash dividends received from joint ventures	3.8	12.4
Restructuring costs, net of reversals	0.9	0.8
Unrealised (gain) / loss on derivatives	(3.7)	3.0
Transaction-related costs	1.6	5.1
Other	0.9	3.1
Adjusted EBITDA	**205.5**	**197.8**

Transaction-related costs include IPO-related costs that relate to the listing of existing shares on SIX Swiss Exchange in September 2018 and costs for pursuing other initiatives.

Adjusted net income

Adjusted net income is used by management to measure performance. Management believes that adjusted net income is a meaningful measure because by removing certain non-recurring charges and non-cash expenses, the Group's operating result directly associated with the period's performance is presented. The use of adjusted net income may also be helpful to investors because it provides consistency and comparability with past performance and facilitates period-to-period comparisons of results of operations.

Adjusted net income is defined as profit or loss adjusted to exclude certain items of significant or unusual nature including, but not limited to, the non-cash foreign exchange impact of non-functional currency loans, amortisation of transaction costs, the net change in fair value of financing-related derivatives, purchase price allocation ("PPA") depreciation and amortisation, adjustments made to reconcile EBITDA to adjusted EBITDA and the estimated tax impact of the foregoing adjustments. The PPA depreciation and amortisation arose due to the acquisition accounting that was performed when the SIG Group was acquired by Onex in 2015.

The following table reconciles profit or loss for the period to adjusted net income.

(In € million)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Profit / (loss) for the period	**25.2**	**(47.6)**
Non-cash foreign exchange impact of non-functional currency loans and realised foreign exchange impact due to refinancing	(5.3)	3.8
Amortisation of transaction costs	1.4	6.5
Net change in fair value of derivatives	1.8	5.8
PPA depreciation and amortisation	68.8	70.1
Adjustments to EBITDA:		
Replacement of share of profit or loss of joint ventures with cash dividends received from joint ventures	3.8	12.4
Restructuring costs, net of reversals	0.9	0.8
Unrealised (gain) / loss on derivatives	(3.7)	3.0
Transaction-related costs	1.6	5.1
Other	0.9	3.1
Tax effect on above items	(14.9)	(14.6)
Adjusted net income	**80.5**	**48.4**

10 Earnings per share

Basic and diluted earnings per share

Basic earnings (or loss) per share are calculated by dividing the consolidated profit or loss for the period by the weighted average number of shares in issue during the period, excluding the weighted average number of treasury shares. Diluted earnings per share for the six months ended 30 June 2019 reflects the effect of potentially dilutive shares under the Group's share-based payment plans and arrangements introduced in the same period.

The Group changed its share structure in connection with the IPO (as further described in note 23 of the consolidated financial statements for the year ended 31 December 2018). The earnings per share information is calculated as if the Group had always had only one class of shares, also in the comparative period.

The following table shows the profit or loss attributable to shareholders and the weighted average number of outstanding shares used in the calculation of basic and diluted earnings per share.

(In € million unless indicated)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Profit / (loss) for the period	25.2	(47.6)
Weighted average number of shares for the period *(in numbers)*	320,045,854	215,053,240
Basic earnings / (loss) per share *(in €)*	**0.08**	**(0.22)**
Profit / (loss) for the period	25.2	(47.6)
Weighted average number of shares for the period - diluted *(in numbers)*	320,057,398	215,053,240
Diluted earnings / (loss) per share *(in €)*	**0.08**	**(0.22)**

Adjusted earnings per share

Adjusted earnings per share is defined as adjusted net income divided by the weighted average number of shares. Management believes that adjusted earnings per share is a useful measure as adjusted net income is used to measure the performance. Adjusted net income and adjusted earnings per share are not defined performance measures in IFRS (see further note 9).

The table below shows the adjusted net income and the weighted average number of outstanding shares used in the calculation of adjusted earnings per share.

(In € million unless indicated)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Adjusted net income	80.5	48.4
Weighted average number of shares for the period *(in numbers)*	320,045,854	215,053,240
Adjusted earnings per share *(in €)*	**0.25**	**0.23**

11 Cash flow information

This note includes information about the Group's cash flows from a capital expenditure perspective and from a performance perspective in general. It also includes information about non-cash transactions.

Net capital expenditure

The Group's capital expenditure primarily relates to investments in own production, plant and equipment (PP&E capital expenditure, excluding filling machines) and to the manufacture and deployment of filling machines with customers (filling machine capital expenditure).

Net capital expenditure is defined as capital expenditure less upfront cash. Upfront cash is defined as consideration received as an upfront payment for the filling machines from customers. Net capital expenditure is not a defined performance measure in IFRS (see further note 9).

Management uses net capital expenditure as it better demonstrates how cash generative the business is. As the Group typically receives a portion of the total consideration for a filling machine as an upfront payment from the customer, the cash outflow relating to filling machines is generally lower than implied by the gross capital expenditure figure. Payments received for filling lines (including upfront payments) are included in cash flows from operating activities.

The following table reconciles capital expenditure to net capital expenditure.

(In € million)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
PP&E (excluding filling machines)	20.5	28.9
Gross filling machines	66.2	84.0
Capital expenditure (gross)	**86.7**	**112.9**
Upfront cash (for filling machines)	(25.5)	(24.8)
Net capital expenditure	**61.2**	**88.1**

Free cash flow

Free cash flow is used by management to evaluate the performance of the Group. Free cash flow is defined as net cash from operating activities plus dividends received from the joint ventures less capital expenditure and payments of lease liabilities (finance lease liabilities before adoption of IFRS 16 *Leases* – see note 5.2). Free cash flow is not a defined performance measure in IFRS (see further note 9).

The following table reconciles net cash from operating activities to free cash flow.

(In € million)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Net cash from operating activities	**120.8**	**105.1**
Dividends received from joint ventures	6.7	10.7
Acquisition of PP&E and intangible assets	(86.7)	(112.9)
Payment of lease liabilities	(4.0)	(0.9)
Free cash flow	**36.8**	**2.0**

Non-cash transactions

The Group has entered into lease contracts in the six months ended 30 June 2019 and 30 June 2018 that are accounted for on-balance sheet (see notes 13 and 16). The initial recognition of a lease on the statement of the financial position is a non-cash transaction. The Group also introduced share-based payments plans and arrangements in the six months ended 30 June 2019. The granting of instruments under these plans and arrangements are non-cash transactions (see note 22).

Cash outflows under lease contracts

The total cash outflow for the Group's lease contracts for the six months ended 30 June 2019 was €6.8 million.

OUR OPERATING ASSETS AND LIABILITIES

This section includes certain information about the Group's operating assets and liabilities. The main operating assets relate to the Group's production equipment and its deployed filling lines accounted for as operating leases. A substantial part of the Group's assets relates to goodwill and other intangible assets. The Group also has right-of-use assets resulting from its lease contracts entered into as a lessee. The Group's trade receivables balance is reduced by selling trade receivables under its securitisation and factoring programmes. The main operating liabilities relate to trade payables and accruals for various incentive programmes and are presented as part of trade and other payables.

12 Property, plant and equipment

Composition of PP&E

Property, plant and equipment ("PP&E") is mainly composed of filling lines that are deployed at customers' sites under contracts accounted for as operating leases and the Group's plant and production equipment. PP&E also includes work in progress, which relates to construction of filling machines and to filling lines under installation at customers' sites as well as to construction of various types of production equipment used by the Group in its manufacturing plants and assembly facilities.

Impact of new IFRS standards

Upon the adoption IFRS 16 *Leases* on 1 January 2019, assets with a carrying amount of €27.6 million that are leased by the Group under contracts that previously were accounted for as finance leases were reclassified from PP&E to the new asset category right-of-use assets. See further note 5.2. There was no impact on the accounting for filling lines deployed at customers' sites by the Group (as a lessor).

Depreciation of PP&E

Depreciation of PP&E is recognised in the following components in the statement of profit or loss and other comprehensive income.

(In € million)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Cost of sales	84.6	80.8
Selling, marketing and distribution expenses	0.5	0.7
General and administrative expenses	2.4	2.0
Total depreciation	**87.5**	**83.5**

Capital expenditure commitments

As of 30 June 2019, the Group had entered into contracts to incur capital expenditure of €47.5 million (€42.1 million as of 31 December 2018) for the acquisition of PP&E. The commitments relate to filling machine assembly, certain downstream equipment and equipment for the Group's sleeves manufacturing facilities.

13 Right-of-use assets

Composition of right-of-use assets

Right-of-use assets relate to lease contracts that the Group has entered into as a lessee. The contracts mainly cover leases of assets such as office buildings, production-related buildings and equipment, warehouses and cars.

Impact of new IFRS standards

Upon the adoption of IFRS 16 *Leases* on 1 January 2019, an amount of €15.9 million relating to lease contracts that previously were accounted for as operating leases was recognised as right-of-use assets, and will be depreciated over the remaining term of the respective lease contracts. At the same time, assets with a carrying amount of €27.6 million relating to lease contracts that were previously accounted for as finance leases were reclassified from PP&E to right-of-use assets. They continue to be depreciated over the same period. See further note 5.2.

Depreciation of right-of-use assets

Depreciation of right-of-use assets amounts to €4.6 million for the six months ended 30 June 2019.

Lease commitments

In the six months ended 30 June 2019, the Group has signed a 20 year lease contract relating to a second sleeves manufacturing plant in China. The Group expects the lease of the sleeves plant to commence by early 2021. The Group has also signed two lease contracts concerning certain production equipment, with the leases expected to commence within the next year. The present value of the estimated future lease payments under these three contracts approximates €75 million as of 30 June 2019.

Revised accounting policy – adoption of IFRS 16 *Leases*

At the commencement date of lease, the Group recognises a lease liability and a related right-of-use asset. The accounting for lease liabilities is described in note 16.

The right-of-use asset represents the Group's right to use the leased asset. A right-of-use asset is initially measured at cost, which in many cases will equal the amount recognised as a lease liability. However, adjustments are required for any lease payments made at or before the commencement date of the lease and any initial direct costs incurred. The cost also includes the estimated cost to dismantle and remove the leased asset or restore it or the site on which it is located to the extent such an amount is recognised as a provision.

Subsequent to initial recognition, a right-of-use asset is measured at cost less accumulated depreciation and impairment losses. A right-of-use asset is subsequently also adjusted for certain remeasurements of the related lease liability.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

As for PP&E, right-of-use assets are reviewed regularly and at least annually to identify whether there is an indication of impairment. If an impairment indicator exists, the asset's recoverable amount is estimated.

14 Intangible assets

Composition of intangible assets

The largest portion of the Group's intangible assets is goodwill, arising as a result of the acquisition of the SIG Group by Onex in 2015. The other intangible assets mainly consist of trademarks, customer relationships and technology related assets. The trademarks have indefinite useful lives.

Amortisation of intangible assets

Amortisation of intangible assets is recognised in the following components in the statement of profit or loss and other comprehensive income.

(In € million)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Cost of sales	31.9	32.5
Selling, marketing and distribution expenses	-	0.1
General and administrative expenses	17.8	17.3
Total amortisation	**49.7**	**49.9**

15 Trade and other receivables

Trade and other receivables mainly comprise trade receivables.

The Group has an asset-backed securitisation programme under which it sells a portion of its sleeves-related trade receivables without recourse. It also has a small number of minor factoring programmes. The trade receivables sold qualify for derecognition by the Group. The total off-balance sheet trade receivables amounted to €129.3 million as of 30 June 2019 (€123.6 million as of 31 December 2018).

OUR FINANCING AND FINANCIAL RISK MANAGEMENT

This section includes certain information about the Group's financing in the form of loans and borrowings and equity. The expenses for the financing are also presented in this section. Lastly, the Group's financial risk management policy and exposure to liquidity, market and credit risks are summarised.

16 Loans and borrowings

The Group's loans and borrowings mainly comprise its Euro denominated term loans. Liabilities under lease contracts where SIG is the lessee are also included in loans and borrowings.

In the third quarter of 2018, the Group repaid its existing Euro and US Dollar denominated term loans and redeemed its notes by using part of the proceeds received from the IPO and proceeds from the new senior secured credit facilities that were entered into in connection with the IPO.

Impact of new IFRS standards

As a result of the adoption of IFRS 16 *Leases* on 1 January 2019, the Group's lease liabilities increased by €15.9 million. See further note 5.2.

Composition of loans and borrowings

The table below shows the carrying amount of the Group's loans and borrowings.

(In € million)	**As of 30 June 2019**	**As of 31 Dec. 2018**
Senior secured credit facilities	31.3	31.2
Lease liabilities	10.8	3.7
Current loans and borrowings	**42.1**	**34.9**
Senior secured credit facilities	1,520.8	1,533.7
Lease liabilities	34.3	22.8
Non-current loans and borrowings	**1,555.1**	**1,556.5**
Total loans and borrowings	**1,597.2**	**1,591.4**

The following table presents the components of the carrying amount of the loans and borrowings.

(In € million)	**As of 30 June 2019**	**As of 31 Dec. 2018**
Principal amount (including repayments)	1,576.6	1,592.2
Deferred original issue discount	(12.7)	(14.2)
Deferred transaction costs	(11.8)	(13.1)
Carrying amount of senior secured credit facilities	**1,552.1**	**1,564.9**
Carrying amount of lease liabilities	**45.1**	**26.5**
Total loans and borrowings	**1,597.2**	**1,591.4**

Senior secured credit facilities

The Group entered into new senior secured credit facilities in October 2018 consisting of two Euro denominated term loans (A and B) and a revolving credit facility.

The table below provides a summary of the main terms of the two term loans and the revolving credit facility.

	Principal amount	**Maturity date**	**Interest rate**
Term loan A	€1,250 million	October 2023	Euribor +2.00% with a floor of 0.00%
Term loan B	€350 million	October 2025	Euribor +2.50% with a floor of 0.00%
Revolving credit facility	€300 million	October 2023	Euribor +1.75% with a floor of 0.00%

The obligations under the senior secured credit facilities are guaranteed and secured by Group subsidiaries. The credit agreement contains customary affirmative and negative covenants. It also contains customary events of default. The Group was in compliance with all covenants and there were no events of default as of 30 June 2019 and 31 December 2018.

The amount available under the revolving credit facility is €296.5 million as of 30 June 2019 (€292.5 million as of 31 December 2018) due to €3.5 million of letters of credit being outstanding under an ancillary facility (€7.5 million as of 31 December 2018).

Lease liabilities

In the prior period, the lease liabilities only related to lease contracts accounted for as finance leases under IAS 17 *Leases*. Since the adoption of IFRS 16 *Leases*, the majority of the Group's lease contracts that were previously accounted for as operating leases are also accounted for on-balance sheet. See further note 5.2.

In the year ended 31 December 2018, the Group entered into a finance lease for its new SIG Tech Centre in China resulting in an initial lease liability of €14.8 million. The remaining balance was related to sale (at carrying amount) and leaseback transactions for production equipment and one of its facilities. Since 1 January 2019, the balance also includes leases of offices, production-related buildings and equipment, warehouses and cars.

Note 13 includes information about lease contracts to which the Group has committed but where the lease has not yet commenced.

Revised accounting policy – adoption of IFRS 16 *Leases*

Lease liabilities

The Group's lease liabilities are initially measured at the present value of the lease payments outstanding as of the commencement date of a lease, discounted at the interest rate implicit in the lease or, if that rate cannot be determined (which is generally the case), at the incremental borrowing rate. Lease payments included in the measurement of the lease liabilities include fixed lease payments and variable lease payments that depend on an index. Other variable lease payments are recognised in profit or loss. The Group does not separate non-lease components from lease components in its lease contracts. Extension, termination and purchase options that, at the commencement date of the lease, are reasonably certain to be exercised are considered when assessing the lease term and/or measuring the lease liability.

Subsequent to initial recognition, the lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liability (applying the effective interest method); reducing the carrying amount to reflect lease payments made; and remeasuring the carrying amount to reflect any contract modifications or reassessments relating to for example changed future lease payments linked to changes in an index and changes in the assessment of whether an extension, termination or purchase option will be exercised.

When a lease liability is remeasured, the corresponding adjustment is generally made to the carrying amount of the related right-of-use asset (see note 13).

17 Finance income and expenses

The Group's net finance expense is mainly related to finance expenses for the Group's loans and borrowings, fair value changes on associated derivative instruments and foreign exchange gains and losses relating to the loans and borrowings.

Composition of net finance expenses

(In € million)	**Six months ended 30 June 2019**	**Six months ended 30 June 2018**
Interest income	1.3	1.9
Net foreign currency exchange gain	7.0	-
Finance income	**8.3**	**1.9**
Interest expense on:		
- Notes	-	(26.1)
- Senior secured credit facilities	(17.0)	(37.8)
- Lease liabilities	(1.1)	(0.2)
Amortisation of original issue discount	(1.5)	(0.7)
Amortisation of transaction costs	(1.4)	(6.5)
Net foreign currency exchange loss	-	(0.7)
Net change in fair value of derivatives	(1.8)	(5.8)
Net interest expense on interest rate swaps	(0.6)	(0.1)
Other	(5.8)	(4.3)
Finance expenses	**(29.2)**	**(82.2)**
Net finance expense	**(20.9)**	**(80.3)**

The Group used part of the proceeds from the IPO in September 2018 and the proceeds from its new term loans taken up in connection with the IPO to redeem its notes and repay the term loans held prior to the IPO. The refinancing resulted in lower interest expense.

The increase of lease liabilities in the current period due to the adoption of IFRS 16 *Leases* on 1 January 2019 has resulted in marginally higher interest expense on lease liabilities compared to the comparative period. See further note 5.2.

Net change in fair value of derivatives consists of fair value changes on financing-related derivatives.

Other finance expenses primarily consist of revolver commitment fees and securitisation and factoring expenses.

18 Equity

This note includes certain information about the Group's shares and dividend payments. The Company's shares are listed on SIX Swiss Exchange.

Issued share capital

The Group has 320,053,240 shares in issue as of 30 June 2019 and 31 December 2018. Of the costs that incurred that were directly attributable to the issue of new shares in connection with the IPO in September 2018, an amount of €3.4 million was paid in the six months ended 30 June 2019.

Treasury shares

The Company purchases its own shares on the market to settle its obligations under its share-based payment plans and arrangements. The Company held 19'059 shares for this purpose as of 30 June 2019, representing an amount of €0.2 million. All treasury shares are carried at acquisition cost.

(Number of treasury shares or in € million)	**Number**	**Amount**
Balance as of 1 January 2019	**-**	**-**
Purchase	35,000	(0.3)
Transfer under share-based payment plans and arrangements	(15,941)	0.1
Balance as of 30 June 2019	**19,059**	**(0.2)**

Dividends

A dividend of CHF 0.35 per share, totalling CHF 112.0 million (€99.0 million) was paid to shareholders out of the capital contribution reserve (additional paid-in capital) in April 2019. No dividends were paid in the year ended 31 December 2018.

Accounting policy – new transactions

Treasury shares

The cost of repurchased shares is presented as a deduction from equity, in the separate category treasury shares. When treasury shares subsequently are transferred to settle the Group's obligations under its share-based payment plans and arrangements (or sold, if applicable), the related amount recognised as a share-based payment expense (or any amount received under a sale) is recognised as an increase in equity. Any resulting surplus or deficit is presented as an adjustment to additional paid-in capital. The Group applies the average cost method to calculate the surplus or deficit on the transfer or sale of treasury shares.

19 Financial risk management

There have been no changes in the Group's objectives, policies and processes for managing its exposure to financial risks summarised below since 31 December 2018.

Liquidity risk

The Group generates sufficient cash flows from its operating activities to meet obligations arising from its financial liabilities. It has a revolving credit facility in place to cover potential shortfalls and access to local working capital facilities in various jurisdictions, which are available if needed to support the cash management of local operations. The Group had unrestricted cash and cash equivalents in the amount of €75.5 million (€154.5 million as of 31 December 2018) and access to an additional €296.5 million under its revolving credit facility as of 30 June 2019 (€292.5 million as of 31 December 2018).

The following table includes information about the Group's remaining contractual maturities for its non-derivative financial liabilities as of 30 June 2019. The table includes both interest and principal cash flows. Balances due within one year equal their carrying amounts as the impact of discounting is not significant.

		Contractual cash flows				
(In € million)	**Carrying amount**	**Total**	**Up to 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
As of 30 June 2019						
Trade and other payables	(367.6)	**(367.6)**	(358.1)	(1.8)	(5.1)	(2.6)
Loans and borrowings:						
- Senior secured credit facilities	(1,552.1)	**(1,737.6)**	(66.7)	(89.2)	(1,220.5)	(361.2)
- Lease liabilities	(45.1)	**(64.5)**	(12.8)	(11.5)	(18.5)	(21.7)
Total non-derivative financial liabilities	**(1,964.8)**	**(2,169.7)**	**(437.6)**	**(102.5)**	**(1,244.1)**	**(385.5)**

See note 5.2 for the impact on the Group's lease liabilities of the adoption of IFRS 16 *Leases* on 1 January 2019.

Market risks

Currency risk

As a result of the Group's international operations, foreign currency exchange risk exposures exist on sales, purchases, borrowings and dividend payments that are denominated in currencies that are not the functional currency of the entity involved in the transaction. The Group is also exposed to translation currency risk arising from the translation of the assets, liabilities and results of its foreign entities into Euro, the Group's presentation currency, from their respective functional currencies.

In accordance with the Group's treasury policy, the Group seeks to minimise transaction currency risk via natural offsets to the extent possible. Therefore, when commercially feasible, the Group incurs costs in the same currencies in which cash flows are generated. In addition, the Group uses foreign currency exchange derivatives to hedge additional transaction currency risks.

Commodity price risk

The Group's exposure to commodity price risk arises principally from the purchase of resin and aluminium. The Group's objective is to ensure that the commodity price risk exposure is kept at an acceptable level. The Group generally purchases commodities at spot market prices and uses derivatives to hedge the exposure in relation to the cost of resin (and its components) and aluminium. Due to this strategy, the Group is able to fix raw material prices one year forward for approximately 80% of the resin and aluminium purchases, which substantially reduces the exposure to raw material price fluctuations over that period.

Interest rate risk

Interest rate risk arises primarily from the Group's Euro denominated term loans at variable interest. The Group has entered into interest rate swaps to hedge a portion of the cash flow exposure arising on these term loans.

A 100 basis point increase in the variable component (three month Euribor) of the interest rate on the term loans would increase the annual interest expense by €5.1 million as of 30 June 2019 (€7.8 million as of 30 June 2018).

Credit risk

Credit risk arises principally from the Group's receivables from its customers. Historically, there has been a low level of losses resulting from default by customers. The Group limits its exposure to credit risk by executing a credit limit policy, requiring advance payments in certain instances, taking out insurance for specific debtors as well as utilising securitisation and non-recourse factoring programmes. See note 15 for additional information relating to these programmes.

OUR GROUP STRUCTURE AND RELATED PARTIES

This section provides certain details about Group entities and other related parties.

20 Group entities

There have been no significant changes in relation to the Group entities in the six months ended 30 June 2019. SIG Combibloc Holdings GP S.à r.l. was liquidated in the second quarter of 2019.

21 Related parties

There have been no new significant related party transactions during the six months ended 30 June 2019, with the exception described in note 22 relating to share-based payments plans and arrangements introduced for the members of the Group's General Executive Board and Board of Directors. The nature of the Group's related party relationships, balances and transactions for the six months ended 30 June 2019 is otherwise consistent with the information disclosed by the Group in the consolidated financial statement for the year ended 31 December 2018.

OUR PEOPLE

This section covers information about the Group's share-based payment plans and arrangements that were introduced in the six months ended 30 June 2019.

22 Share-based payment plans and arrangements

The Group introduced two share-based long-term incentive plans in 2019 for certain members of management. The members of the Board of Directors receive a part of their total compensation under share-based payment arrangements. The Group expects to settle its obligations by using own shares (treasury shares) – see further note 18.

Share-based long-term incentive plans for SIG management

Performance share unit plan

Under its performance share unit ("PSU") plan, the Group will grant PSUs on an annual basis to the members of the Group Executive Board and certain other members of management. One PSU represents the contingent right to receive one SIG share. The number of granted PSUs is determined by dividing each participant's award under the plan by the fair value of one PSU at the grant date. Vesting of the PSUs occurs three years after the grant date. The exact number of PSUs that vests depends on the long-term performance of SIG during the vesting period.

The plan includes the following vesting conditions:

- Service condition: Employment at the vesting date.
- Two non-market performance conditions: Achievement of an earnings per share target and a free cash flow target.
- One market performance condition: Achievement of a relative total shareholder return target, measured relative to the SPI® ICB Industry Industrials Index.

At vesting, the three performance conditions are first assessed individually to determine the level of achievement of the set targets (in a range from 0% to 200%). The achievement percentage of each performance condition is then combined based on a relative weighting of the performance conditions. The combined vesting multiple determines how many shares the participants are entitled to at the end of the vesting period.

The grant date for the 2019 PSU awards is 1 April 2019. Nine employees were granted PSUs. The grant date fair value of one PSU is calculated based on a Monte Carlo simulation model, which reflects the probability of over- or underachieving the market performance condition. The model also takes into account various inputs such as the closing share price of one SIG share on 1 April 2019 and adjusts for expected dividends (discounted at a risk-free interest rate) to which the participants of the plan are not entitled until the PSUs vest after three years.

Restricted share unit plan

Under its restricted share unit ("RSU") plan, the Group will grant RSUs on an annual basis to selected employees. One RSU represents the contingent right to receive one SIG share, subject to the fulfilment of a three year service vesting condition. The number of granted RSUs is determined by dividing each participant's individual award under the plan by the average closing price of the SIG share of the last ten trading days immediately preceding the grant date. Upon vesting, each eligible plan participant is entitled to receive SIG shares equal to the number of vested RSUs.

The grant date for the 2019 RSU awards is 1 April 2019. Two employees were granted RSUs. The grant date fair value of one RSU is calculated based on the closing share price of one SIG share on 1 April 2019 and adjusted for expected dividends (discounted at a risk-free interest rate) to which the participants of the plan are not entitled until the RSUs vest after three years.

Share-based payment arrangements for members of the Board of Directors

The members of the Board of Directors receive 40% of their total compensation under share-based payment arrangements. The compensation amount is fixed. The larger part of the Board of Directors' total share-based payment compensation is paid out in blocked SIG shares while a smaller part is paid out in RSUs. The grant date is the date of the Annual General Meeting, when the total compensation package for the next term of office is approved. The compensation is paid out four times per term of office (i.e. there are four award dates, each relating to work performed the quarter before the respective award date). The number of blocked shares/RSUs is determined by dividing each board member's individual compensation amount for one award cycle by the average closing price of the SIG share of the last ten trading days immediately preceding each award date. A three year blocking/vesting period applies to the shares and RSUs. The RSUs carry the right to dividends during the vesting period. The grant date fair value of one blocked share and one RSU is calculated based the closing share price of one SIG share on the date of the Annual General Meeting.

Share-based payment expense

The share-based payment expense recognised as a personnel expense in the six months ended 30 June 2019 relating to PSUs and RSUs granted under the two SIG management plans amounts to €0.4 million, of which €0.3 million relates to members of the Group Executive Board. The share-based payment expense recognised as part of general and administrative expenses in the same period relating to blocked shares and RSUs granted under the arrangements for the Board of Directors amounts to €0.3 million.

Accounting policy – new transactions

The Group's share-based payment plans and arrangements are all equity-settled payment arrangements. The grant date fair value of the awards is recognised as an expense, with a corresponding increase in equity (retained earnings), over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awarded instruments for which the related service and any non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awarded instruments that meet the related service and any non-market performance conditions at the vesting date. Any market performance conditions are reflected in the grant date fair valuation of the awarded instruments and there is no true-up during the vesting period or at the vesting date for differences between expected and actual outcomes. If there is no vesting period, the grant date fair value is immediately recognised as an expense.

OTHER

This section provides certain details about the Group's different categories of financial instruments, fair value information and off-balance sheet information.

23 Financial instruments and fair value information

Categories of financial instruments and fair value information

The following table presents the carrying amounts of financial assets and liabilities as of 30 June 2019. It also presents the respective levels in the fair value hierarchy for financial assets and liabilities measured at fair value. There have been no transfers between the fair value hierarchy levels since 31 December 2018 or changes in how the Group estimates the fair value.

	Carrying amount as of 30 June 2019			Fair value hierarchy Level		
(In € million)	At amortised cost	At fair value through profit or loss (mandatorily)	Total	1	2	3
Cash and cash equivalents	78.6		**78.6**			
Trade and other receivables	138.7	21.4	**160.1**		x	
Derivatives		0.8	**0.8**		x	
Total financial assets	**217.3**	**22.2**	**239.5**			
Trade and other payables	(367.6)		**(367.6)**			
Loans and borrowings:						
- Senior secured credit facilities	(1,552.1)		**(1,552.1)**			
- Lease liabilities	(45.1)		**(45.1)**			
Derivatives		(18.9)	**(18.9)**		x	
Total financial liabilities	**(1,964.8)**	**(18.9)**	**(1,983.7)**			

See note 5.2 for the impact on the Group's lease liabilities of the adoption of IFRS 16 *Leases* on 1 January 2019.

Fair value of financial assets and liabilities at amortised cost

The carrying amount of the financial assets and liabilities that are not measured at fair value is a reasonable approximation of fair value. Excluding transaction costs and an original issue discount, this is also the case for the Group's new term loans that were entered into in connection with the IPO.

Fair value of derivatives

The derivatives are entered into as part of the Group's strategy to mitigate operational risks (commodity and foreign currency exchange derivatives) and to mitigate financing risks (interest rate swaps).

The Group measures derivative assets and liabilities at fair value. The fair value is calculated based on valuation models commonly used in the market. These include consideration of credit risk, where applicable, and discounts the estimated future cash flows based on the terms and maturity of each contract, using forward interest rates extracted from observable yield curves and market forward exchange rates at the reporting date. The derivatives are categorised as level 2 fair value measurements in the fair value hierarchy as the measurements of fair value are based on observable market data, either directly (i.e. as prices) or indirectly (i.e. derived from prices). All changes in fair value are recognised in profit or loss as the Group does not apply hedge accounting under IFRS 9.

Fair value of trade receivables to be sold under securitisation and factoring programmes

Trade receivables that will be sold under the Group's securitisation and factoring programmes are categorised as measured at fair value through profit or loss. They are sold shortly after being recognised by the Group and the amount initially recognised for these trade receivables is representative of their fair value.

24 Contingent liabilities

The Group has contingent liabilities relating to legal and other matters arising in the ordinary course of business. Based on legal and other advice, management is of the view that the outcome of any such proceedings will have no significant effect on the financial position of the Group beyond the recognised provision.

25 Subsequent events

There have been [no events] subsequent to 30 June 2019 that would require an adjustment to or disclosure in these consolidated interim financial statements.

DISCLAIMER AND CAUTIONARY STATEMENT

The interim report contains certain “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 Combibloc 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). Factors that could cause actual results to differ materially from the forward-looking statements are included without limitations into our offering memorandum for the IPO. 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 interim 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 interim report 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.