
SIG
COMBIBLOC
CREDIT SUISSE SWISS
EQ MID CAP
CONFERENCE

CFO SAMUEL SIGRIST

ZURICH

13 NOVEMBER 2019



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In this presentation, we utilise certain alternative performance measures, including EBITDA, adjusted EBITDA, core revenue and adjusted net income that in each case are not recognized under International Financial Reporting Standards ("IFRS"). These non-IFRS measures are presented as we believe that they and similar measures are widely used in the markets in which we operate as a means of evaluating a company's operating performance and financing structure. They may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles, nor should they be considered as substitutes for the information contained in the financial statements included in this presentation.

EBITDA, a measure used by our management to measure operating performance, is defined as profit (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.

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, amortization of transaction costs, the net change in fair value of financing-related derivatives, purchase price allocation depreciation and amortization, adjustments made to reconcile EBITDA to adjusted EBITDA and the estimated tax impact of the foregoing adjustments.

Adjusted EBITDA and adjusted net income are not performance measures under IFRS, are not measures of financial condition, liquidity or profitability and should not be considered as alternatives to profit (loss) for the period, operating profit or any other performance measures determined or derived in accordance with IFRS or operating cash flows determined in accordance with IFRS.

Additionally, adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not take into account certain items such as interest and principal payments on our indebtedness, working capital needs and tax payments. We believe that the inclusion of adjusted EBITDA and adjusted net income in this presentation is appropriate to provide additional information to investors about our operating performance to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. Because not all companies calculate adjusted EBITDA, core revenue and adjusted net income identically, the presentation of these non-IFRS performance measures may not be comparable to other similarly titled measures in other companies.

For additional information about alternative performance measures used by management that are not defined in IFRS, including definitions and reconciliations to measures defined in IFRS, refer to the SIG 2019 Interim Report.

Please note that combismile is currently not available in Germany, Great Britain, France, Italy and Japan.

WE ARE A LEADING SUPPLIER OF ASEPTIC CARTON FILLING SOLUTIONS

Sustainability is at the core of our DNA with carton being the most eco-friendly substrate



UNIQUE SLEEVE-BASED FILLING TECHNOLOGY

- Unprecedented **reliability, robustness and uptimes**
- Volume and format flexibility: up to 16 product variants on one filler
- **Superior filling capabilities** for particulate and highly viscous content



- With our **global integrated footprint** and **supply chains** we **support customers locally** – unlike most other providers
- **~550 service engineers** with deep technical expertise and application know-how



- **Affordable and safe** packaging solutions based on lightweight carton structures (e.g., Lite, cb12)
- With **differentiating packaging and filling solutions** (e.g. combidome, combismile, drinksplus, Heat&Go, broad sustainability portfolio) we serve premium beverage categories

WE ARE AT THE HEART OF OUR CUSTOMERS' OPERATIONS



Filling and packaging operations are at the heart of our customers' operations. The OEE and reliability of our machinery is crucial. With co-investments and long-term contracts we're in true partnerships



Our service engineers are deeply integrated into our customers' day to day operations. 550 service colleagues take care of approx. 1,180 filling lines¹, ensuring efficiency and sterility

1. 2018 data



Our packaging solutions are key to our customers' brand experience and help them to interact with consumers on- and off-line

BUILDING ON LONG-TERM CUSTOMER PARTNERSHIPS WITH GLOBAL AND REGIONAL LEADERS



ANNUAL CUSTOMER RETENTION RATE OF ~99%

TOP 10 CUSTOMERS

CUSTOMER	LENGTH OF RELATIONSHIP
1	>15 YEARS
2	>10 YEARS
3	>35 YEARS
4	>40 YEARS
5	>30 YEARS
6	>30 YEARS
7	>35 YEARS
8	>35 YEARS
9	>5 YEARS
10	>10 YEARS

TOTAL >25 YEARS ON AVERAGE

On-the-go breakfast
milk with healthy cereals



Premiumise
juices through real fruit inclusions



New consumption
occasions with drinkable snacks



CONSUMER LED INNOVATION: WE THINK CONSUMERS

Target new consumers
with rich protein drinks



Deliver nutritious soups
with food particulates



Add perceptible value:
Tomato passata with real tomato chunks



Innovation process starts with observation of consumer behaviour, pain points and needs

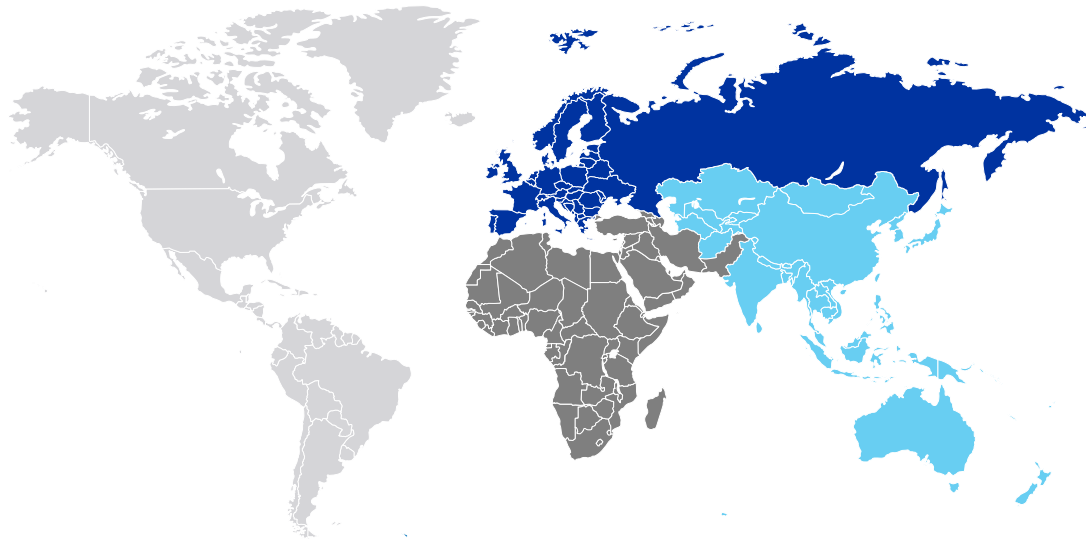
Testing and prototyping in two established test centres in Europe and China

Co-development of beverage products with customers in our test filling centres

Test trials with consumers in supermarkets

LEADING SYSTEMS AND SOLUTIONS PROVIDER FOR ASEPTIC PACKAGING

GLOBAL FOOTPRINT¹ WITH INTEGRATED SUPPLY CHAINS



18%
Americas

45%
EMEA

37%
Asia Pacific

1. Core revenues 2. Estimated volume split (B liters) 2018; Other: wine, syrups, water, etc.3. Share of global aseptic liquid dairy, non-carbonated soft drinks & aseptic/retort liquid food carton supply in core geographies excl. Japan, India, Peru, Argentina, Chile in 2018

Note: Financials and other statistics as of December 31, 2018 unless noted otherwise
Source: Company information (FY 2018) and SIG Market Study

#2 globally in resilient and growing end-markets

Razor/razor-blade business model with long-term customer relationships

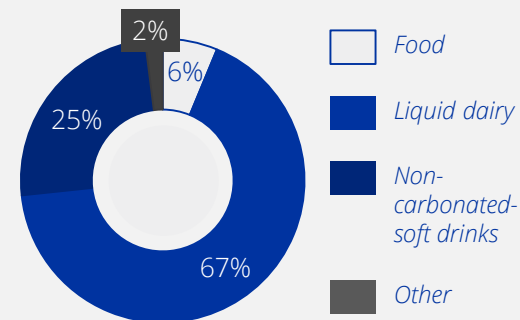
Around **1,180 fillers** in the field

Core revenue
€1.64bn

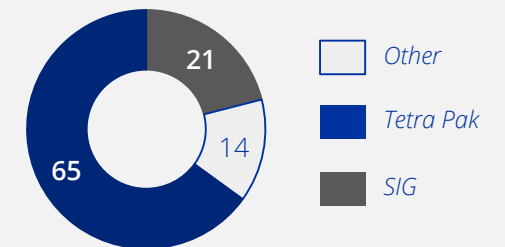
Adj. EBITDA margin 27.5%
Post-tax ROCE 20.6%

Track record of growth and margin expansion

End-markets²



Aseptic carton share³ (volume)



FOUR MAJOR TRENDS AND THEIR IMPACT ON THE ASEPTIC CARTON INDUSTRY



GROWING DEMAND FOR PROCESSED FOOD

Safe and affordable packaging solutions required to serve the growing middle class in developing markets



DEMANDING CONSUMERS

Innovative packaging and filling solutions required to meet demand for “on the go”, differentiation and convenience



EFFICIENT AND SAFE SUPPLY CHAIN

Food safety and cost pressure drive packaging and machinery suppliers to increase efficiency and transparency

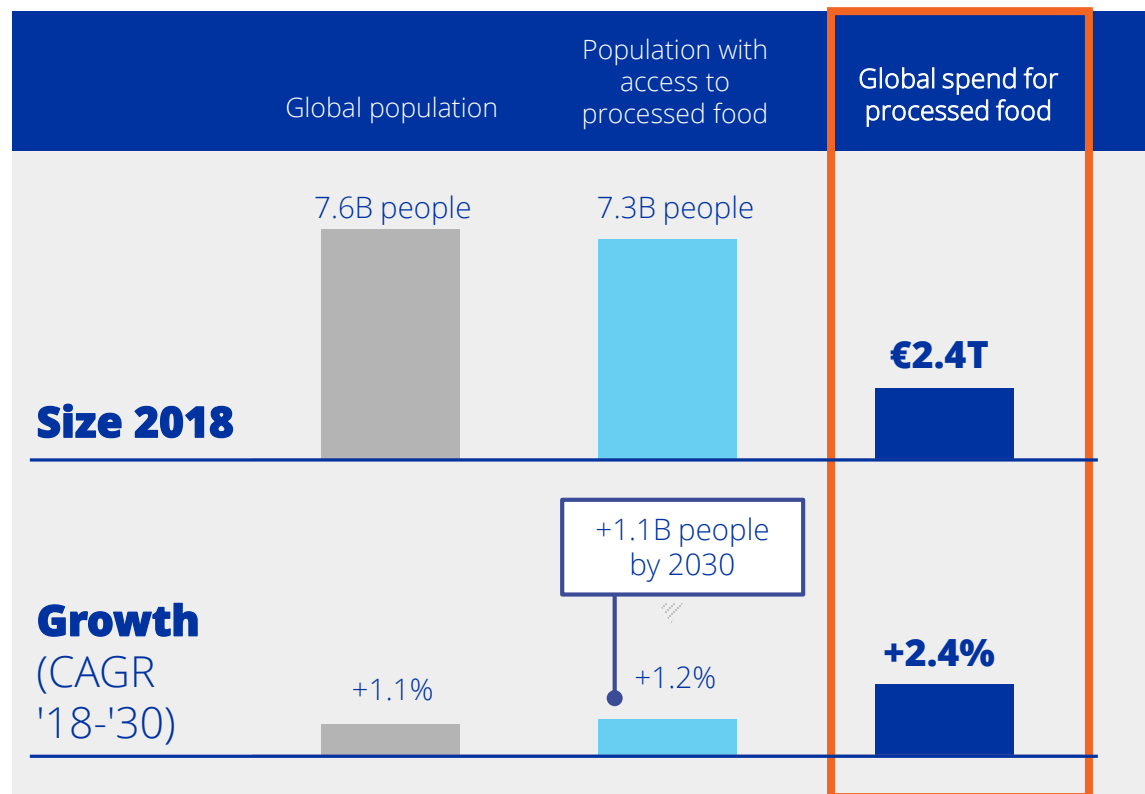


SUSTAINABILITY & GOING GREEN

Impact of packaging on the environment is monitored by regulators, NGOs, brand owners and consumers

PROCESSED FOOD

GROWING 2X RATE OF GLOBAL POPULATION



GROWTH OF PROCESSED FOOD AND DEMANDING CONSUMERS

Source: United Nations, Euromonitor, Company information



ASEPTIC CARTON CATERES TO NEEDS OF CONSUMERS ACROSS CLASSES AND REGIONS



Avg. yearly household spend
Food & non-alcoholic Beverages (\$)

<p>Still fruit drinks and plain milk (single serve)</p>	<p>Flavoured milk</p>	<p>Milk alternatives</p>
<p>Sweetened milk Pouch</p>	<p>Plain white milk</p>	<p>Ambient drinking yogurt</p>



Loose milk & beverages Sales via un-organized market

Source: Euromonitor, Company information

— India — MEA — AM-S — AP-N — AP-S — EU — AM-N



ASEPTIC CARTON PACKAGING SHOWS HIGHEST GROWTH RATES



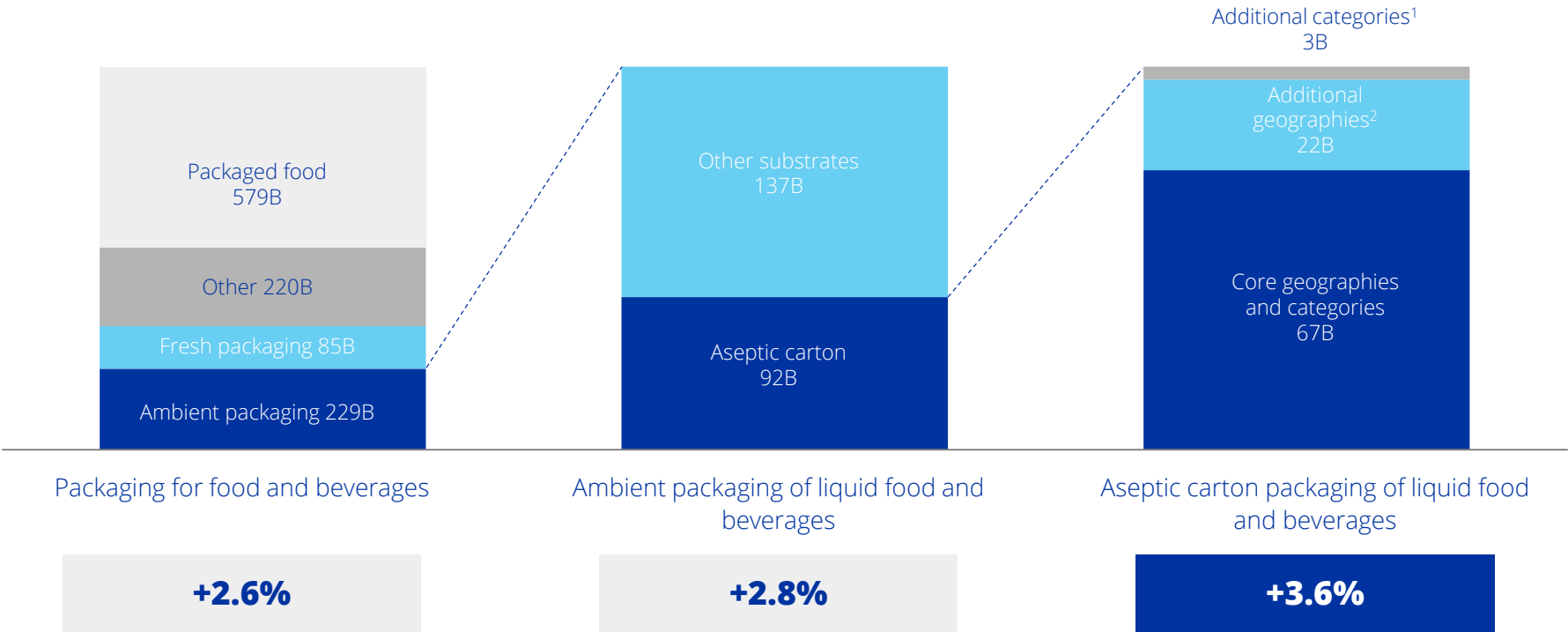
579B kg of packaged food
533B Litres of beverages

229B Litres of ambient packaging

92B Litres of aseptic carton

579B KG OF PACKAGED FOOD

533B LITRES OF BEVERAGES

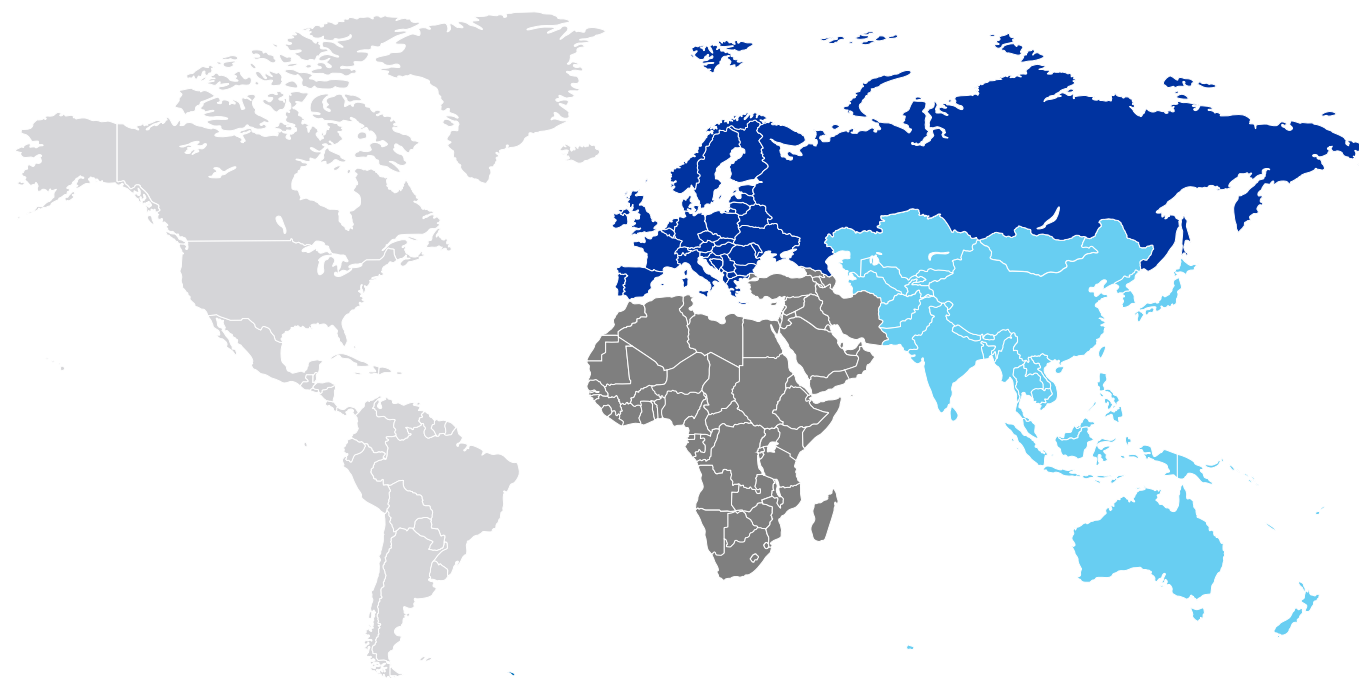
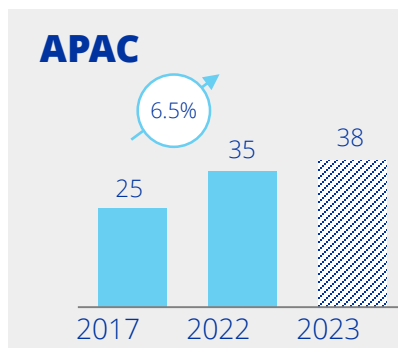
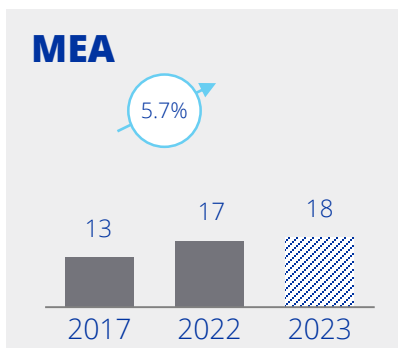
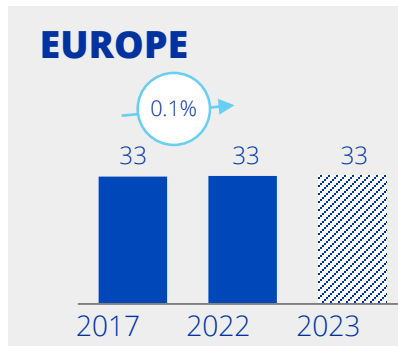
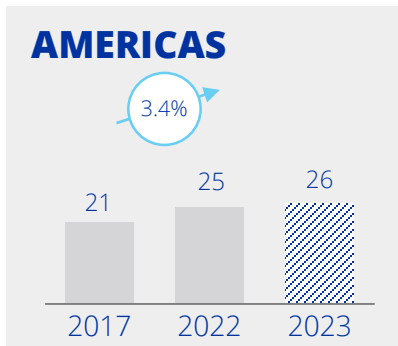


2017-2022 CAGRS

1. Additional categories include alcoholic beverages, water, nutritional, medical and sports drinks (carton only)
2. Includes 47 countries outside SIG's current core geographies
Company information



SHAPING THE FUTURE OF ASEPTIC CARTON ACROSS REGIONS



CAGR '17-'22

Source: Company information

SIG IDEALLY POSITIONED TO MEET MARKET AND CONSUMER TRENDS

SAFE AND AFFORDABLE PACKAGING AND FILLING SOLUTIONS

- Filling flexibility for customers to adjust to shifts in market demand and run multiple products on one filler
- Safe and affordable packaging formats (Lite, cb12) for transition from pouch and/or powder milk



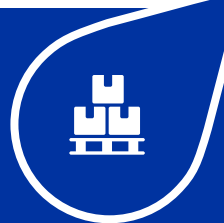
DIFFERENTIATING PACKAGING SOLUTIONS FOR PREMIUM CATEGORIES

- Format/filling flexibility to cater for SKU proliferation
- Low waste rates to minimise losses of premium ingredients
 - Particulate filling capabilities to meet on-the-go/snacking trend



EFFICIENT PACKAGING OPERATIONS AND SAFE SUPPLY CHAINS

- SIG's integrated global supply chain - we support our customers locally
- In partnership with our customers we constantly improve line efficiency
- Connected pack enables transparency along supply chain



PIONEERING IN SUSTAINABLE PACKAGING SOLUTIONS

- Our cartons with lowest CO2 footprint compared to other packaging alternatives
- Our SIGNATURE PACK is the world's first aseptic pack 100% linked to plant-based renewable material with aluminium-free design



COMBATTING CLIMATE CHANGE AND INCREASING RECYCLING

RESPONSIBLE COMPANY

Pursuing a net positive corporate footprint in the long run

TOP 1%

of over 30,000 businesses in 2017, Ecovadis Gold rated responsibility

1 OF 100 companies globally with science-based CO₂ reduction target in place

2030 GOAL

Halve value chain environmental impacts and double societal benefits while meeting business growth targets

RESPONSIBLE SOURCING

Striving for certified sustainable supply of all materials, products and services

100%

of sleeves shipped covered by FSC™ COC¹ certification²

ASI certification
Responsible aluminium sourcing

2030 GOAL

All raw materials from certified responsible sources and 50% of total sourcing spend on net positive suppliers

RESPONSIBLE PRODUCTS

Innovating and delivering smarter solutions with proven sustainability across the entire life-cycle

PROMOTING RECYCLING

infrastructure and awareness

ALL ASEPTIC CARTONS fully recyclable

70-80% average renewable content of all cartons

2030 GOAL

Offer customers the most sustainable food packaging solutions on the market

SIG's ULTIMATE GOAL IS TO CONTRIBUTE MORE TO SOCIETY AND THE ENVIRONMENT THAN WE TAKE OUT ACROSS OUR VALUE CHAIN

1. Forest Stewardship Council™ Chain of Custody
2. 98% of products labelled with FSC™

LOWEST CARBON FOOTPRINT: CARTONS WIN EVERY TIME



Affordable & sustainable packaging

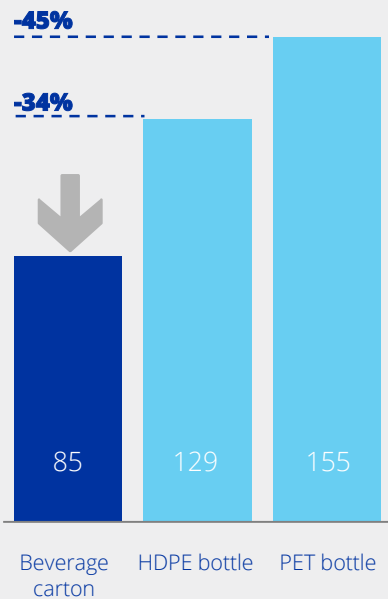
LIQUID DAIRY

kg CO₂ equivalent per packaging required for 1,000L UHT milk

GO BEYOND (25-75% LESS) WITH SIG :

EcoPlus alu-free structure and/or SIGNATURE PACK Plant-based plastics

-20-75%



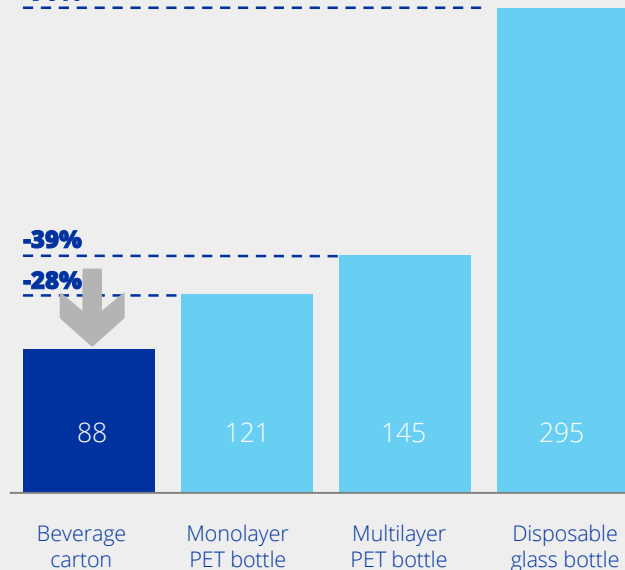
NON-CARBONATED SOFT DRINKS

kg CO₂ equivalent per packaging required for 1,000L non-carbonated soft drinks

-70%

-39%

-28%



*1 50% PCR scenario would reduce the impact to 106 g

*2 50% PCR scenario would reduce the impact to 132 g

*3 Includes 59% recycled glass

FOOD

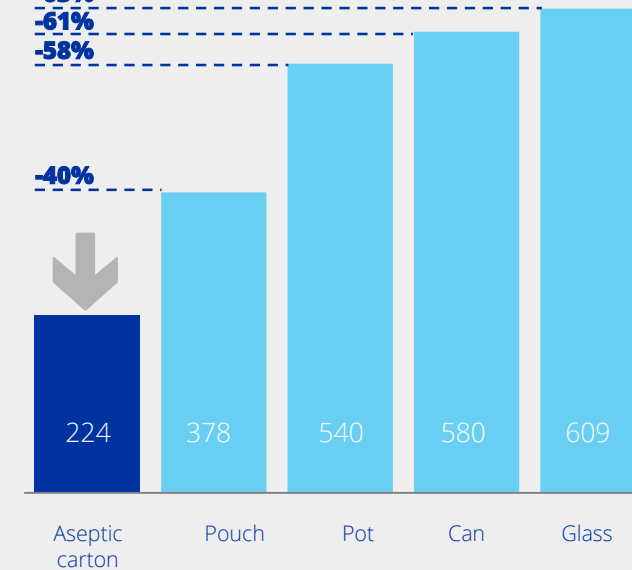
kg CO₂ equivalent per packaging required for 1,000L food

-63%

-61%

-58%

-40%



*4 Includes 5,8% post-consumer recycled material

*5 Includes 59% recycled glass

European average (EU27)/IFEU Institute Heidelberg using ISO 14040 international standard



CONTRIBUTING TO A CIRCULAR ECONOMY

WITH FOCUS ON SOURCING, INNOVATION AND COLLECTION & RECYCLING



Affordable & sustainable packaging

SOURCING FROM RESPONSIBLY MANAGED FORESTS

TRACEABLE WORLDWIDE AND VERIFIED FSC™ CHAIN OF CUSTODY CERTIFICATION

SIG BEVERAGE CARTON PRODUCTION & INNOVATION

75%
paperboard

SIG pioneering and driving with FSC sourced wood fibre

21%
polymers

1st in plant-based plastics and recycled plastics

4%
aluminium

First with ASI certified aluminium / unique offer of aluminium-free

CONSUMPTION

RE-USE



RECYCLING

20 EU¹
beverage carton recycling plants

COLLECTION

GRACE
SIG is member of global recycling alliance for beverage cartons

PALUREC & MORE
beverage carton recycling innovation

SOMA

SIG encourage collections systems worldwide, e.g. Brazil

49%^{↑1}

beverage cartons recycled 2018 in EU, increasing tendency

DRIVE RESPONSIBLE SOURCING

For all primary materials

INCENTIVISING USE OF RENEWABLE MATERIALS AND/OR BIO-BASED

Unique packaging innovation

ENSURING THAT ALL RECYCLABLE PACKAGING IS RECYCLED

Efficient collection is base for effective recycling

1. The Alliance for Beverage Cartons and the Environment

EXCELLENCE – ENGINEERED. SOLUTIONS – DELIVERED

INCREASING REVENUE OPPORTUNITIES
WITH CUSTOMERS BEYOND PACKAGING SOLUTIONS

Addressing multiple customer and consumer needs



Growing with combiblocXSlim
(co-development with Friesland) Small packages with volume flexibility down to 80 ml for various categories to increase convenience



SIGNIA SIGNATURE PACK
for environmentally aware consumers



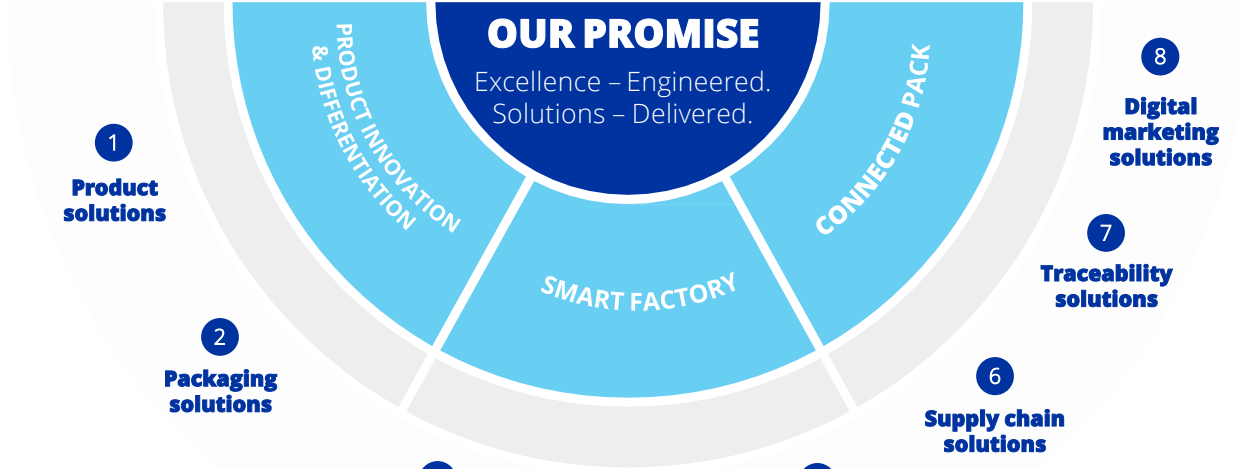
drinksplus (co-development Mengniu) Allowing customers to access new consumer groups and consumption occasions



Transforming & Modernising Plants
Greenfields, brownfields and E2E solutions for customer plants



360 Asset Management
Digitalised asset management enabling condition-based maintenance



LANGUIRU



One-Click Tracking
Unique QR code empowering consumers to track food to production origin



SLEEVE & FILLING TECHNOLOGY: THE SIG PLATFORM ENABLING A BROAD AND FLEXIBLE OFFERING

VOLUME AND FORMAT FLEXIBILITY

Rapid switching to cater for changing needs while keeping asset utilisation high

- Up to 16 product variants possible on one filler
- Range of fill volumes from 80ml to 2,000ml across portfolio



FORMAT FLEXIBILITY
(format change <10 min)

MODULAR OPTIONS TO UPGRADE INSTALLED BASE

Different filler and product features can be added with distinct advantages



DRINKSPPLUS

- High viscosity filling
- Particulates

FOOD OPTION

- Filling of soups and sauces
- Particulates



HEAT & GO

- Microwaveable for hot drinks
- Aluminium-free

SIGNATURE PACK

- Plant-based renewable material
- Aluminium-free



SPOUT & STRAW APPLICATIONS

- Paper straws
- Convenience for consumers

DIGITAL SERVICE - PARTNERSHIP WITH GE DIGITAL



GE Digital - SIG PARTNERSHIP



Partnership to establish a first-in-industry integrated digital solution for asset monitoring and service delivery based on predictive analytics

- Frontrunner in Industrial IoT
- Track record in asset monitoring and predictive maintenance (oil & gas, wind turbines, jet engines etc.)
- System business
- ~1,180 fillers
- Connected filling lines providing “live” data for >20yrs
- Deep understanding of our customers’ operations

DIGITAL SERVICE

GE Digital - SIG

- Improve asset efficiency and productivity
- Increase service levels
- Reduce capex and opex (labour cost)
- Improve quality within customers’ operations
- Avoid out-of-stock situations and reduce inventory costs
- Improve customer satisfaction

Enhanced customer service and TCO¹

1. Total cost of ownership



THREE-FACETED TESTING ENHANCED BY NEW REGIONAL TECH CENTRE IN CHINA

WE TEST

Innovative structures, new shapes, product formulations

OUR CUSTOMERS CAN TEST

Upstream, downstream, product formulations

WE LET CONSUMERS TEST

Consumer trials

Two Tech Centres



RAMP-UP OF EXISTING AND NEW TECHNOLOGIES

- COMBISMILE EXPANSION INTO NEW AND GROWING CATEGORIES, E.G. AMBIENT YOGURT, DAIRY ALTERNATIVES, VEGETABLE PROTEIN DRINK, YOGURT DRINKS, AMBIENT FLAVOURED MILK
- TOTAL SOLUTIONS OFFERING – UPSTREAM, DOWNSTREAM AND FORMULATIONS
- PRODUCT CONTENT AND PACKAGING DIFFERENTIATION
- CLOSER TO OUR CUSTOMERS AND PARTNERING IN INNOVATION
- CATERING FASTER TO INNOVATION CYCLES, ESPECIALLY IN APAC



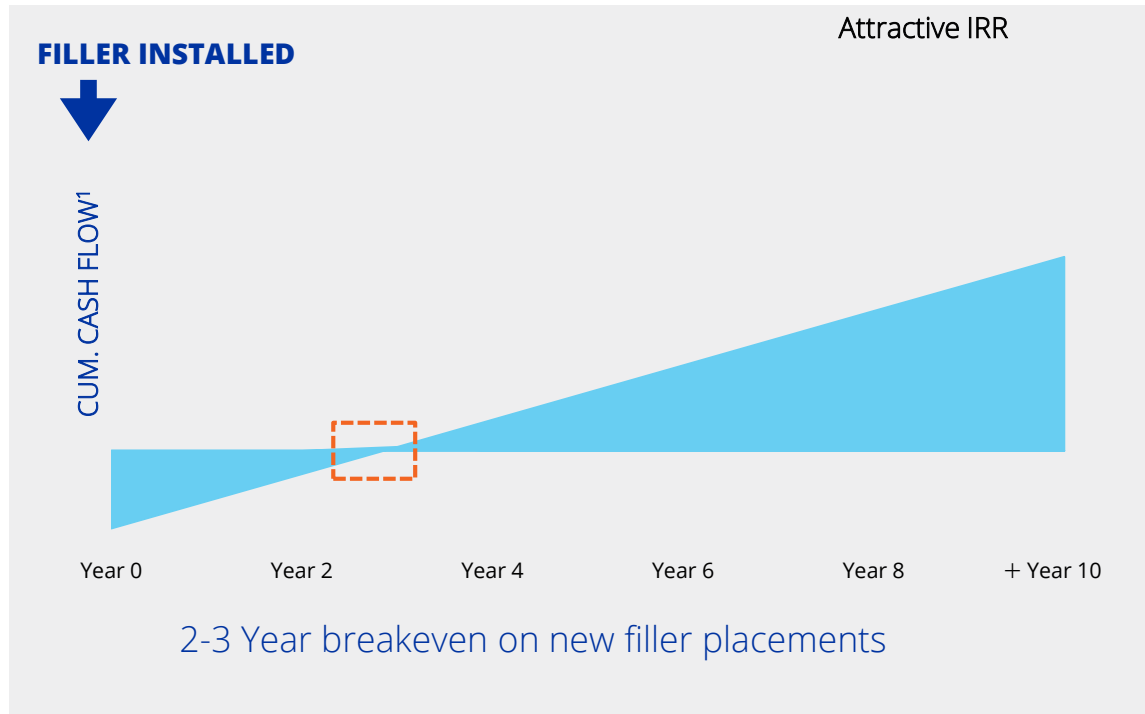
RAZOR / RAZORBLADE BUSINESS MODEL

GENERATING STABLE CASH FLOWS

FILLERS 6%
(OF TOTAL REVENUE²)

SLEEVES & CLOSURES 88%
(OF TOTAL REVENUE²)

SERVICE 6%
(OF TOTAL REVENUE²)



Key criteria for investment decisions

DYNAMIC PAYBACK

IRR

GROSS PROFIT BEFORE DEPRECIATION



Key filler placement models

SALE

LEASE

SALE AND LEASE ARRANGEMENTS



Accounting treatment

Cost capitalised as fixed assets and depreciated over 10 years

Upfront cash recognised as deferred revenue

HIGH CUSTOMER RETENTION AND RECURRING SALES

1. Illustrative chart based on consistent gross margin throughout customer relationship
 2. Revenue split based on revenue generated through sale of system components and sleeves & closures for 2018

ABILITY TO GENERATE GROWTH AND INCREASE PROFITABILITY THROUGH THE CYCLE

2008-18
REVENUE CAGR:

4%

2008-18
ADJ. EBITDA CAGR:

5%

2008-18
ADJ. EBITDA MARGIN
EXPANSION:

~400BPS

ROCE:

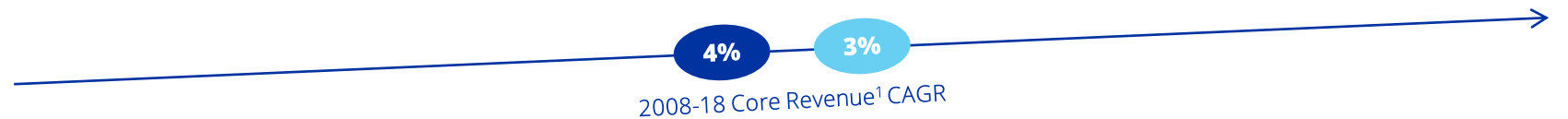
>20%³

CONSTANT CURRENCY

%

CORE REVENUE¹ GROWTH

%



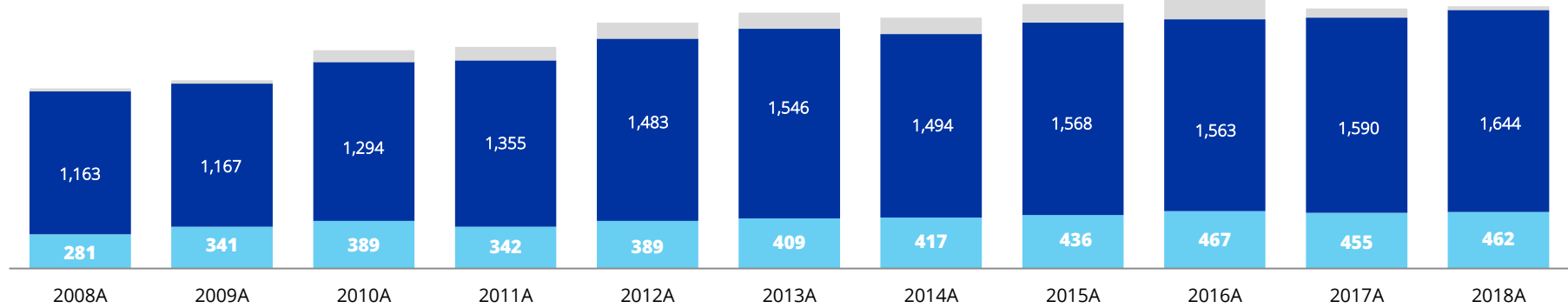
TOTAL REVENUE (€M)



CORE REVENUE¹ (€M)



ADJ. EBITDA (€M)



ADJ. EBITDA MARGIN

24% 29% 28% 23% 24% 24% 26% 25% 27% 27% 28%

ADJ. EBITDA - CAPEX² MARGIN

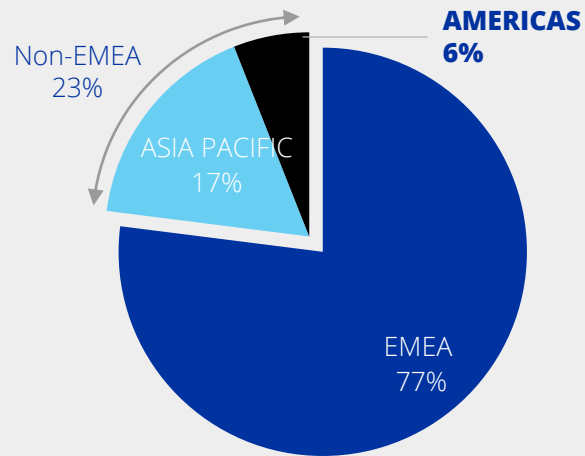
16% 23% 19% 14% 16% 15% 18% 18% 18% 17% 19%

1. Core revenue represents the revenue to external customers and excludes (i) sales of laminated board (LB) to the Middle East Joint Venture and (ii) sales of folding box board (FBB) to third parties 2. Capex represents Net Capex calculated as Gross Capex less Upfront Cash 3. Post-tax ROCE presented above is calculated by adjusting pre-tax ROCE by applying a 30% REFERENCE TAX RATE to the pre-tax ROCE

INCREASING FOCUS ON GROWTH REGIONS

2008

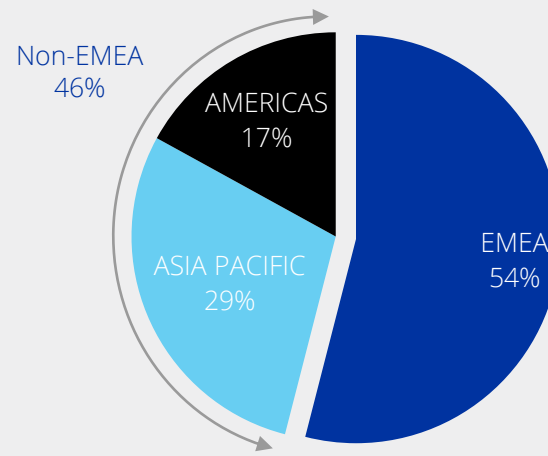
Core revenue: **€1,163m**



Adj. EBITDA: €281m

2014

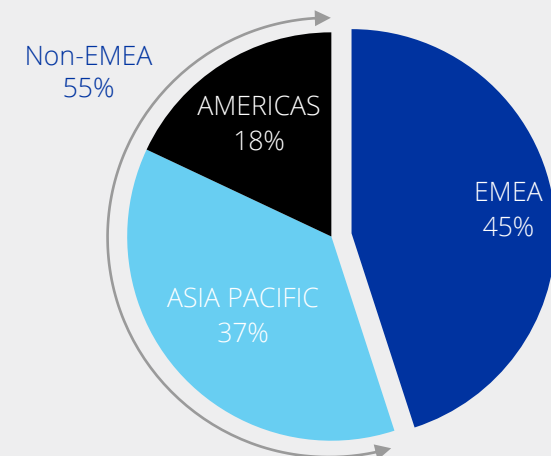
Core revenue: **€1,494m**



Adj. EBITDA: €417m










2018

Core revenue: **€1,644m**



Adj. EBITDA: €462m

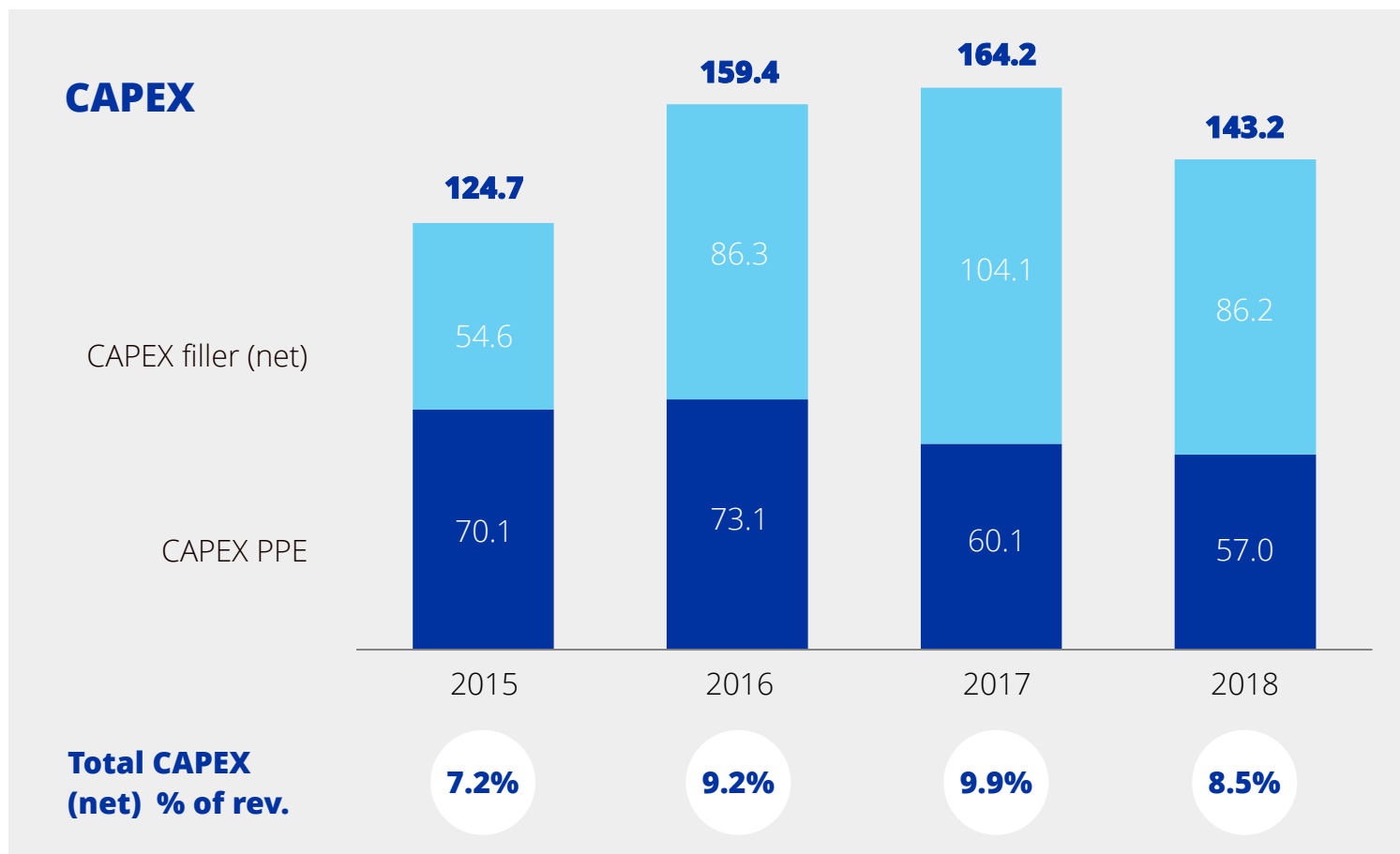
KEY FINANCIAL METRICS FOCUSED ON PROFITABLE GROWTH AND RETURN ON CAPITAL

 <p>Core revenue</p>	<p>€1.6bn Target 4-6% growth p.a. at constant currency</p>	 <p>Adjusted EBITDA margin</p>	<p>27.5% Target 27-28% in 2019 ~29% mid-term</p>	2018 data	
<p>Net CAPEX</p>	<p>€143m (8.5% of revenue) Target 8-10% of revenue</p>	 <p>Net working capital</p>	<p>€114m (6.8% of revenue) Target 5-7% of revenue mid-term</p>	 <p>Adjusted net income¹</p>	<p>€213m</p>
 <p>ROCE</p>	<p>Post tax 20.6% - Pre-tax: 29.4%</p>	 <p>Leverage</p>	<p>3.2x Target Towards 2.0x mid-term</p>	 <p>Adjusted EPS¹</p>	<p>€0.66</p>
				 <p>Free cash flow¹</p>	<p>€212m</p>
				 <p>Cash conversion</p>	<p>69%</p>

1. Pro forma

CAPITAL EXPENDITURE REMAINING

WITHIN TARGET RANGE - CLEAR HURDLE RATES



Outlook



2015-18: Accelerated filler investment in Asia Pacific and Americas



2019-24: PPE investment in new China plant (front-loaded)



Net capex to remain within 8-10% of revenue range

ROCE AS REFERENCE POINT FOR INVESTMENT HURDLE RATES

In 2018, pre-tax ROCE

(in €M or %)	2018
Adjusted EBITDA	461.5
Dividends received from joint ventures	(23.7)
Depreciation of PP&E	(172.3)
ROCE EBITA	265.5
Current assets (excluding cash and cash equivalents)	407.3
Current liabilities (excluding interest-bearing liabilities)	(574.3)
PP&E	1,068.8
Capital employed	901.8
Pre-tax ROCE	29.4%
ROCE tax rate of 30%	30.0%
Post tax ROCE¹	20.6%

Outlook



Net PP&E will increase with investment in new plant



Reduction in net working capital targeted (in line with target of 5-7% of revenue)



Ongoing investment in fillers with rapid payback criterion maintained – cash flow break-even in 2-3 years



Business growth expected to more than compensate for growth in capital employed

1. Post-tax ROCE is calculated by adjusting pre-tax ROCE by applying a 30% tax rate, which management has determined reflects a reference tax rate to provide comparability between years

CLEAR PRIORITIES FOR USE OF FUNDS



Invest in the business

State of the art production facilities to meet demand
New filler placements



Net capex to remain within 8–10% of revenue range



Dividend payout

€99M (CHF 0.35 per share)
paid in 2019



Target payout ratio:
50–60% of adjusted net
income



Deleveraging

End-2018 net leverage ratio 3.2x: end-2019 expected to be slightly lower



Mid-term target
towards 2×

KEY INVESTMENT HIGHLIGHTS



ATTRACTIVE INDUSTRY CHARACTERISTICS

A Global leadership – strong #2 globally

B Resilient growing end markets



WINNING BUSINESS MODEL ENABLING GROWTH

C Proprietary technology and engineering know-how

D End to end solutions with value-adding support and service

E Longstanding customer partnership model

F Consumer-led innovation



STRONG FINANCIAL PROFILE

G Best-in-class margins and strong cash flow generation

H Multi-faceted growth strategy



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THANK
YOU
—






CFO SAMUEL SIGRIST

ZURICH

13 NOVEMBER 2019

LOW WORKING CAPITAL BASE FURTHER SUPPORTS CASH FLOW

€m	2018	2017	2016
 Inventory	144	122	126
 Trade receivables	135	173	153
 Trade payables	(166)	(153)	(165)
NET WORKING CAPITAL	114	143	113
% REVENUE	6.8%	8.6%	6.6%
OTHER RECEIVABLES / PAYABLES¹	(179)	(133)	(74)
OPERATING NWC	(66)	10	39
% REVENUE	(3.9%)	0.6 %	2.3%

1. Including accruals for volume bonuses to customers settled in following year
Differences due to rounding

LEVERAGE

MID TERM LEVERAGE
TARGET TOWARDS 2X

€M	Cash	Senior secured term loans	Lease liabilities ¹	Net total debt	TOTAL NET LEVERAGE RATIO
2019H1	79	1,577	45	1,543	3.3X
2018A	157	1,592	26	1,462	3.2X

STRONG CASH FLOW GENERATION

S&P RATING BB+

MOODY'S UPGRADE IN OCTOBER 2019: FROM BA3 TO BA2

TARGETING INVESTMENT GRADE RATING

1. Lease liabilities include €14m related to the adoption of IFRS 16
Differences due to rounding