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# SIG COMBIBLOC H1 2020 RESULTS

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H1 2020 RESULTS 28 JULY 2020





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# H1 2020 FINANCIAL HIGHLIGHTS

**STRONG**  
TOP LINE GROWTH

CORE REVENUE  
€849.7 MILLION

**+8.6%**

AT CONSTANT  
CURRENCY

CORE REVENUE

**+7.0%**

REPORTED

ADJUSTED EBITDA

**€215.7**

MILLION (H1  
2019: €205.5m)

ADJUSTED EBITDA  
MARGIN

**25.1%**

(H1 2019: 25.6%)

ADJUSTED NET  
INCOME

**€79.6**

MILLION  
(H1 2019:  
€80.5m)

ADJUSTED  
EARNINGS PER  
SHARE

**€0.25**

(H1 2019: €0.25)

FREE CASH FLOW

**€28.1**

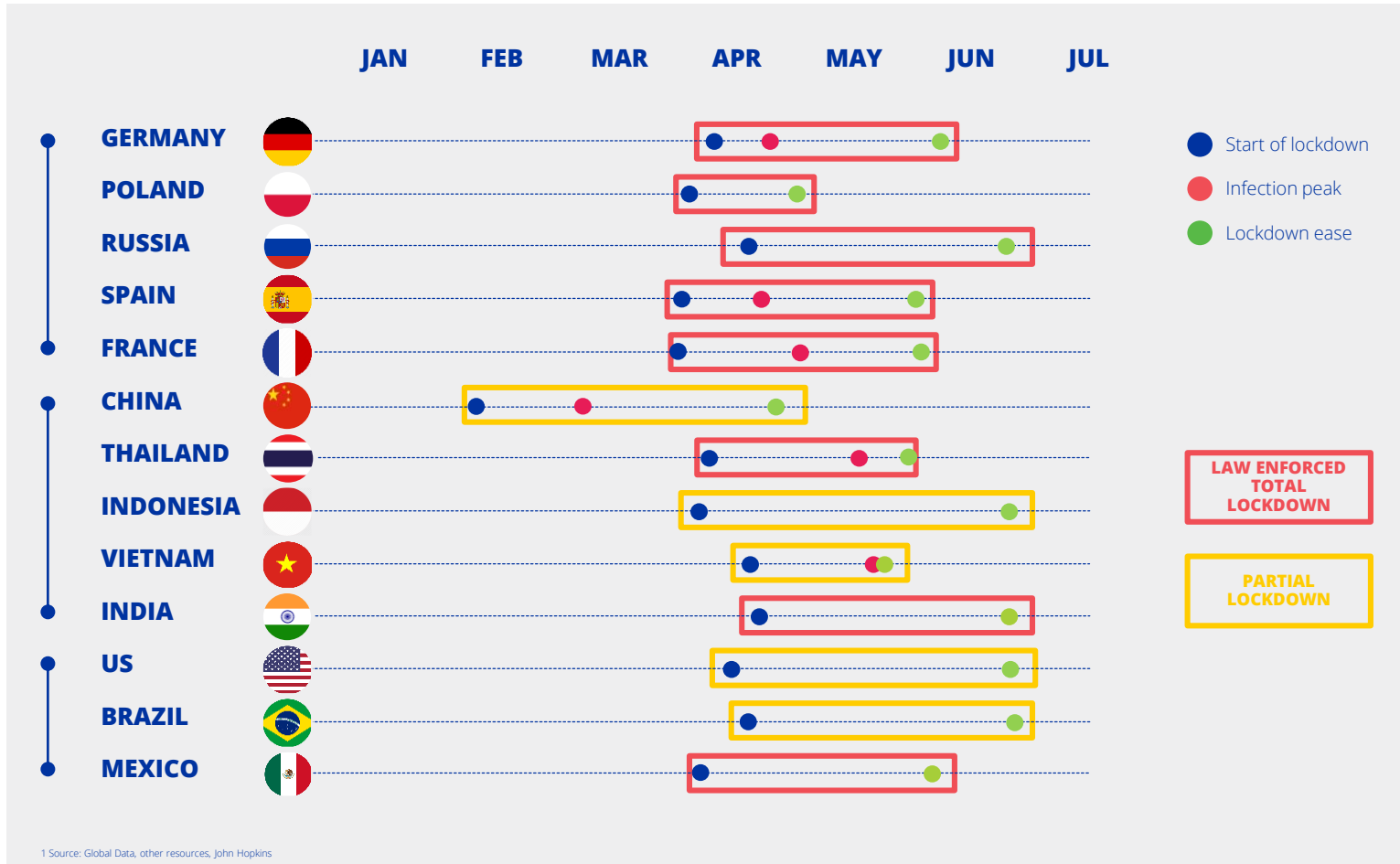
MILLION  
(H1 2019: €36.8m)

ROCE (LTM)

**24.5%**

# Q2 2020 COVID-19 OVERVIEW

## BUSINESS CONTINUITY DURING LOCKDOWNS



1 Source: Global Data, other resources, John Hopkins

**PRODUCTION CONTINUED AT ALL FACTORIES**

**OFFICES BEGAN TO RE-OPEN IN MAY** BUT REMAIN CLOSED IN THE AMERICAS

**POSITIVE** IMPACT FROM LOCKDOWN IN EUROPE

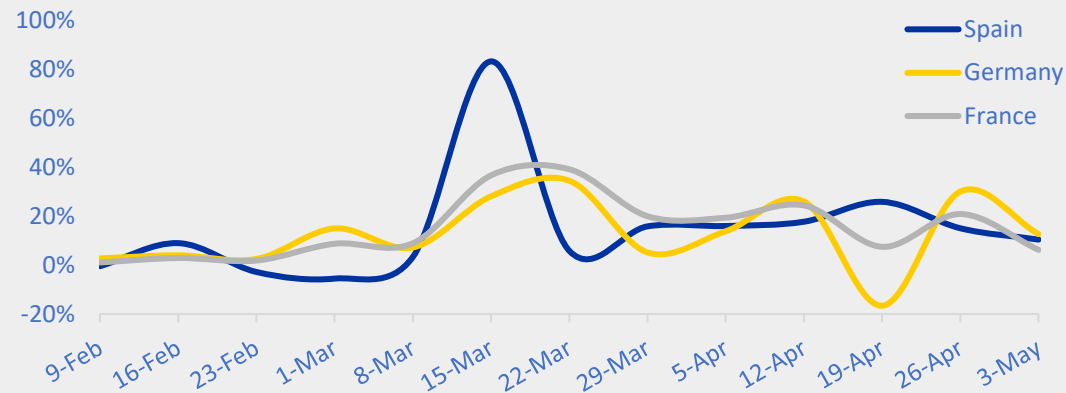
**NEGATIVE** IMPACT IN ASIA PACIFIC

**AMERICAS** STARTING TO FEEL COVID-19 IMPACTS BUT GROWTH REMAINS POSITIVE

# EMEA SUMMARY

## DAIRY WEEKLY SALES

Variation vs. PY (%)



(1) Source: Nielsen, Iri, Kantar

## EMEA

Core revenue growth  
(at constant currency)

Q1 3.1%

Q2 12.2%

**H1 7.8%**

## EUROPE

- Consumer buying surge in March followed by supply chain and retail re-stocking
- Significant acceleration of factory output
- Demand remained strong in April-May with increased at-home consumption
- Dairies and retailers expected to deplete stocks in H2

## MIDDLE EAST AFRICA

- JV business held up well despite economic disruption and high level of infections in key countries



# APAC SUMMARY



## APAC

Core revenue growth  
(at constant currency)

Q1	6.2%
Q2	7.7%
<b>H1</b>	<b>7.0%</b>

## CHINA

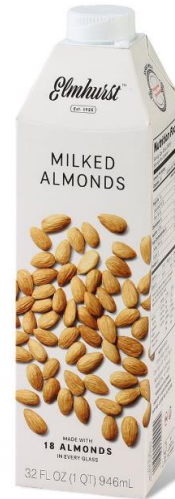
- Dairy consumption sharply down during Chinese New Year
- Loss of on-the-go business during lockdown
- Significant customer safety stock-building in Q1: stocks consumed in Q2

## SOUTH EAST ASIA

- Lockdowns continued into May/June
- Most SIG business is single-serve packs often consumed on-the-go
- School milk programmes suspended
- High customer and retailer stocks, low consumer confidence

Visy Cartons now included in APAC segment

# AMERICAS SUMMARY



**LITTLE EFFECT** FROM COVID-19 IN Q1

**UNINTERRUPTED PRODUCTION AT CURITIBA PLANT** DESPITE DIFFICULT CONDITIONS IN BRAZIL

**BUOYANT SALES TO DAIRY CUSTOMERS** IN MEXICO;  
SOME STOCK-BUILDING IN Q2

**US FOOD SERVICE SALES**  
LOWER IN Q2

**DEPLOYMENT AND RAMPING UP OF NEW FILLERS** IN BRAZIL

**ADVERSE FX**  
IMPACTED REVENUES

## AMERICAS

Core revenue growth  
(at constant currency)

Q1	34.2%
Q2	5.0%
<b>H1</b>	<b>16.4%</b>



# SUMMARY OUTLOOK

## FULL YEAR 2020

**STOCK OVERHANG AT CUSTOMER AND RETAIL LEVEL** EXPECTED TO AFFECT H2 PERFORMANCE  
STRONG Q3 2019  
BASE OF COMPARISON

**YEAR END RALLY** LIKELY TO BE REDUCED

**ASIA PACIFIC** HAS HISTORICALLY BEEN FASTEST GROWING REGION BUT GEARED TO ON-THE-GO CONSUMPTION

**CORE REVENUE GROWTH** EXPECTED TO BE **4 -6%** AT CONSTANT CURRENCY

COVID-19 UNCERTAINTY REMAINS

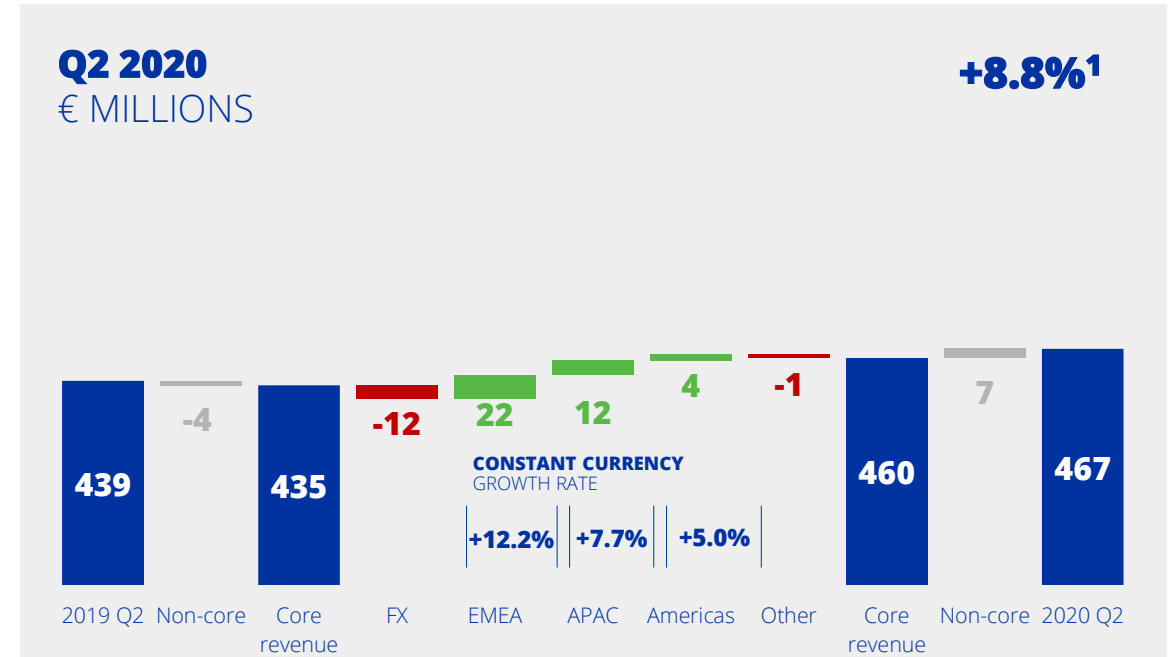
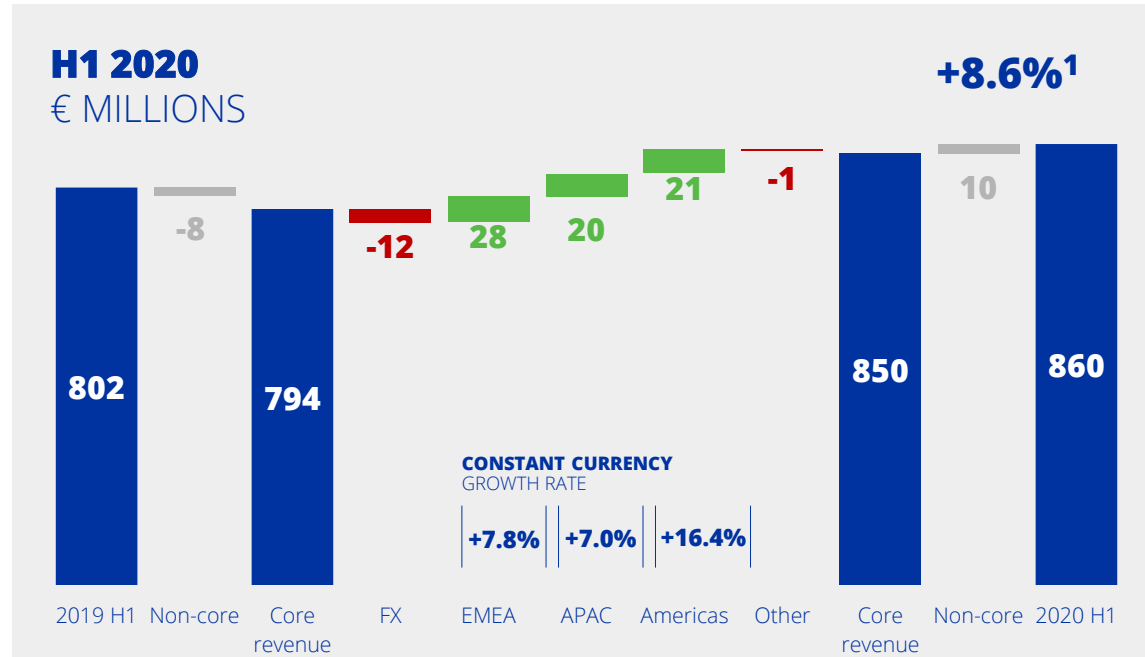
**ADJUSTED EBITDA MARGIN TARGET MAINTAINED:**  
LOWER END OF **27-28%** RANGE

**SIGNIFICANT FREE CASH FLOW GENERATION**

# REVENUE EVOLUTION

## HALF YEAR AND Q2

**BROAD GEOGRAPHIC SPREAD**  
ENABLING ROBUST GROWTH



### HIGHLIGHTS

- Top line impact of currencies turned negative in Q2
- EMEA growth: accelerated in Q2

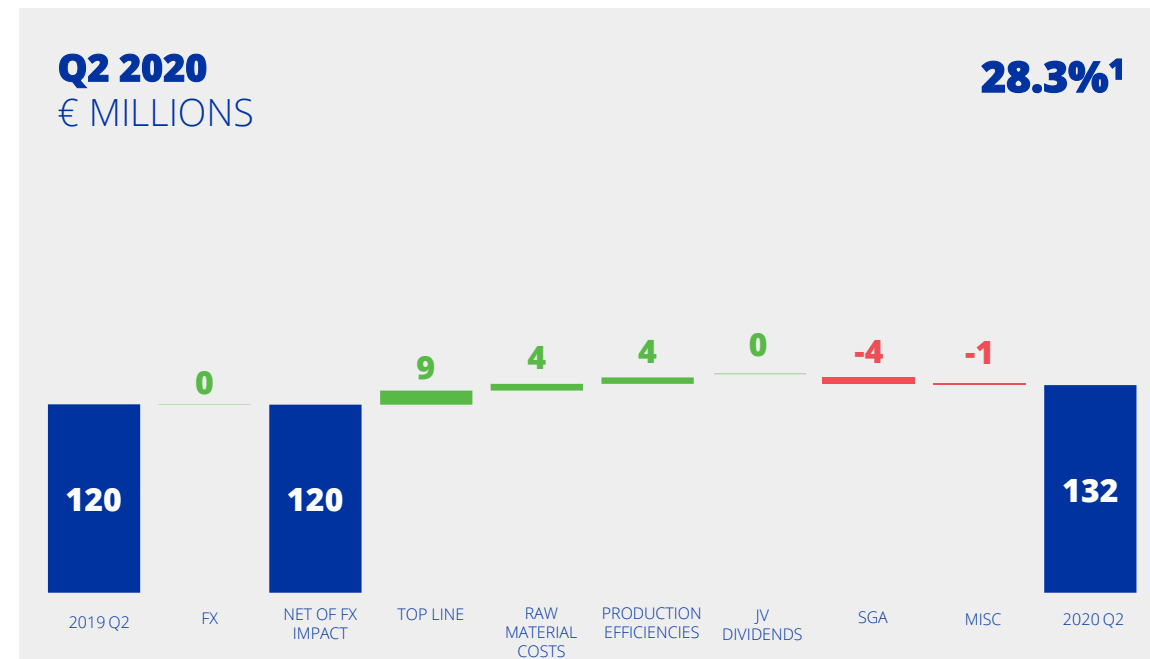
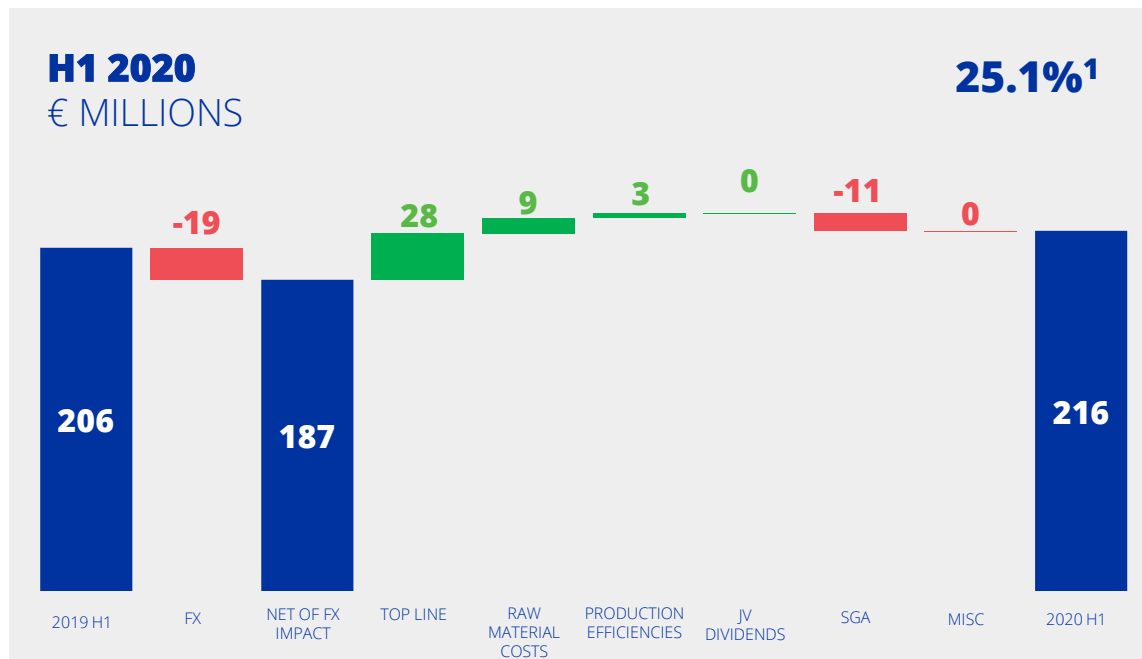
- Americas: growth continued in Q2 despite COVID-19 impacts
- APAC performance includes contribution of Visy Cartons

<sup>1</sup> Core revenue growth at constant currency

# ADJUSTED EBITDA EVOLUTION

## HALF YEAR AND Q2

**H1 ADJ EBITDA MARGIN 26.9%**  
EXCLUDING CURRENCY IMPACT



### HIGHLIGHTS

- Strong top line contribution
- Depreciation of Brazilian Real against the Euro
- Margin dilution from Visy acquisition

<sup>(1)</sup> Adjusted EBITDA as % of total revenue

- Production efficiencies reflect high fixed cost absorption in Q2
- Raw material costs: favourable spot prices for polymers and aluminium
- SGA costs include higher R&D



# CURRENCY UPDATE

## EBITDA NEUTRAL IN Q2

### EUR/BRL EXCHANGE RATE

H1 2020



### EUR/THB EXCHANGE RATE

H1 2020



### Q1 EBITDA CURRENCY IMPACT

€MILLIONS (YOY)

BALANCE SHEET  
ITEMS REVALUED AT  
END MARCH RATES

13

REALISED  
CURRENCY  
IMPACT

6

### H1 EBITDA CURRENCY IMPACT

€MILLIONS (YOY)

REALISED  
CURRENCY  
IMPACT

19

# ADJUSTED EBITDA MARGIN

## DEVELOPMENT BY REGION

### EMEA

- Strong top line growth
- Production efficiencies in Q2

### APAC

- Negative impact from currencies
- Loss of high margin Chinese New Year gifting business
- Dilution from consolidation of Visy Cartons

### AMERICAS

- Strong revenue growth
- Negative impact from Brazilian Real depreciation

€million	EMEA		APAC		AMERICAS	
	2020H1	2019H1	2020H1	2019H1	2020H1	2019H1
<b>CORE REVENUE</b>	<b>387</b>	<b>358</b>	<b>305</b>	<b>284</b>	<b>151</b>	<b>144</b>
Growth at constant currency	7.8%		7.0%		16.4%	
<b>ADJUSTED EBITDA</b>	<b>122</b>	<b>107</b>	<b>91</b>	<b>92</b>	<b>35</b>	<b>36</b>
<b>ADJUSTED EBITDA %*</b>	<b>32%</b>	<b>30%</b>	<b>29%</b>	<b>32%</b>	<b>23%</b>	<b>25%</b>

\*Adjusted EBITDA as % of total revenue

# ADJUSTED NET INCOME

## STABLE DESPITE HIGHER TAX RATE

€million	2020H1	2019H1
<b>PROFIT FOR THE PERIOD</b>	<b>10</b>	<b>25</b>
Financing costs and exchange rate impacts	7	(2)
Net effect of early repayment of secured term loans	20	-
PPA depreciation and amortisation	64	69
Adjustments to EBITDA	2	3
Of which:		
Share of profit or loss of joint ventures, net of dividends distributed	-	4
Unrealised gains on derivatives	(1)	(4)
Transaction-related costs	1	2
Tax effect on above items	(23)	(15)
Adjusted effective tax rate	29.0%	26.5%
<b>ADJUSTED NET INCOME</b>	<b>80</b>	<b>80</b>
Adjusted earnings per share (€) <sup>1</sup>	0.25	0.25

<sup>(1)</sup> Adjusted net income divided by the weighted average number of shares for the period  
Differences due to rounding



# DEBT REFINANCING

CONCLUDED  
JUNE 2020

## PREVIOUS STRUCTURE OF DEBT

TWO SECURED TERM  
LOANS:

- €1.25BN DUE OCT. 2023
- €350M DUE OCT. 2025

€300 MILLION RCF  
AVAILABLE TO  
OCTOBER 2023

AVERAGE COST  
OF DEBT: 2.1%

## NEW STRUCTURE OF DEBT

ONE UNSECURED  
TERM LOAN:

- €550M DUE JUNE 2025

€300 MILLION RCF  
AVAILABLE TO JUNE  
2025

TWO UNSECURED  
NOTES ISSUES

- €450M DUE JUNE 2023
- €550M DUE JUNE 2025

## COST OF NEW DEBT

TERM LOAN AND RCF:  
EURIBOR +100bps

2023 NOTES: 1.875%  
2025 NOTES: 2.125%

AVERAGE COST OF  
DEBT: 1.7%<sup>1</sup>

<sup>1</sup> Cost of debt excludes transaction costs and does not consider RCF principal or commitment fee

## SUSTAINABILITY- LINKED LOAN FACILITIES

- REDUCTION IN  
CARBON  
EMISSIONS
- ECOVADIS SCORE  
+/- 5bps

# LEVERAGE

**DIVIDEND PAYMENT**  
IN Q2

€million	2020H1	2019A
<b>CASH<sup>1</sup></b>	<b>160</b>	<b>261</b>
<b>TERM LOANS</b>	<b>550</b>	<b>1'561</b>
<b>NOTES ISSUES</b>	<b>1'000</b>	<b>-</b>
<b>LEASE LIABILITIES</b>	<b>60</b>	<b>54</b>
<b>NET TOTAL DEBT</b>	<b>1'450</b>	<b>1'353</b>
<b>TOTAL NET LEVERAGE RATIO</b>	<b>2.9x</b>	<b>2.8x</b>

(1) Includes restricted cash  
Differences due to rounding

# FREE CASH FLOW

CASH GENERATION  
WEIGHTED TO H2

€million	2020H1	2019H1
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>128</b>	<b>121</b>
Dividends received from joint ventures	7	7
Acquisition of property, plant and equipment and intangible assets	(100)	(87)
Payment of lease liabilities	(7)	(4)
<b>FREE CASH FLOW</b>	<b>28</b>	<b>37</b>
<b>CASH CONVERSION</b>	<b>63%</b>	<b>70%</b>

Cash conversion based on adjusted EBITDA less net capex as a % of adjusted EBITDA



# WORKING CAPITAL

**WORKING CAPITAL**  
REMAINS WELL CONTROLLED

€million	2020H1	2019H1	2019A
<b>INVENTORY</b>	<b>190</b>	<b>194</b>	<b>167</b>
<b>TRADE RECEIVABLES</b>	<b>99</b>	<b>90</b>	<b>162</b>
<b>TRADE PAYABLES</b>	<b>(176)</b>	<b>(165)</b>	<b>(180)</b>
<b>NET WORKING CAPITAL</b>	<b>113</b>	<b>118</b>	<b>150</b>
<b>OTHER RECEIVABLES / PAYABLES<sup>1</sup></b>	<b>(186)</b>	<b>(121)</b>	<b>(226)</b>
<b>OPERATING NET WORKING CAPITAL</b>	<b>(73)</b>	<b>(3)</b>	<b>(76)</b>

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

# CAPITAL EXPENDITURE

**NEW PLANT IN CHINA**  
UNDER CONSTRUCTION

€million	2020H1	2019H1
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>31</b>	<b>20</b>
<b>GROSS FILLER CAPEX</b>	<b>69</b>	<b>66</b>
<b>UPFRONT CASH</b>	<b>(20)</b>	<b>(26)</b>
<b>NET FILLER CAPEX</b>	<b>49</b>	<b>41</b>
<b>TOTAL NET CAPEX</b>	<b>80</b>	<b>61</b>
<b>TOTAL NET CAPEX AS % REVENUE</b>	<b>9.3%</b>	<b>7.6%</b>
<b>ADJUSTED EBITDA - NET CAPEX MARGIN</b>	<b>15.8%</b>	<b>18.0%</b>

Differences due to rounding

# FINANCIAL GUIDANCE

**SIGNIFICANT CASH FLOW  
GENERATION**

FY 2020E

<b>CORE REVENUE GROWTH</b>	<b>4 - 6% (CONSTANT CURRENCY)</b>
<b>ADJ. EBITDA MARGIN</b>	<b>27 - 28%</b>
<b>EFFECTIVE TAX RATE</b>	<b>28 - 29%<sup>1</sup></b>
<b>NET CAPEX (% REVENUE)</b>	<b>8 - 10%</b>
<b>DIVIDEND PAYOUT</b>	<b>50 - 60% OF ADJUSTED NET INCOME<sup>2</sup></b>

Previously 6 – 8%

Lower end of range

Mid/lower end of range

**Continuing COVID-19 uncertainty**

Mid-term

<b>CORE REVENUE GROWTH</b>	<b>4 - 6% (CONSTANT CURRENCY)</b>
<b>ADJ. EBITDA MARGIN</b>	<b>~29%</b>
<b>EFFECTIVE TAX RATE</b>	<b>28 - 29%<sup>1</sup></b>
<b>NET CAPEX (% REVENUE)</b>	<b>8 - 10%</b>
<b>DIVIDEND PAYOUT</b>	<b>50 - 60% OF ADJUSTED NET INCOME<sup>2</sup></b>
<b>NET LEVERAGE</b>	<b>TOWARDS ~2X</b>

This presentation includes mid-term goals that are forward-looking, are subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals will be achieved and the Company undertakes no duty to update its goals.

Note: Guidance assumes constant currency; adjusted EBITDA margin and net capex percentage based on total revenue

(1) Represents management's estimated adjusted effective tax rate

(2) Dividend based on prior year adjusted net income and based on planned payout ratio

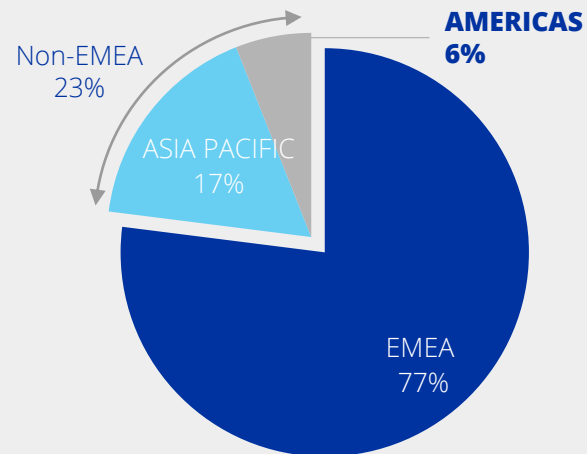


# PROVEN STRATEGY TO DRIVE FUTURE GROWTH

FUNDAMENTAL DRIVERS  
REMAIN INTACT

**2008**

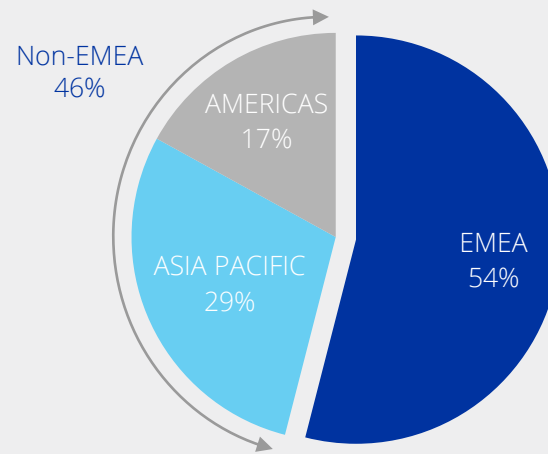
*Core revenue by region*



**Core revenue: €1,163m**

**2014**

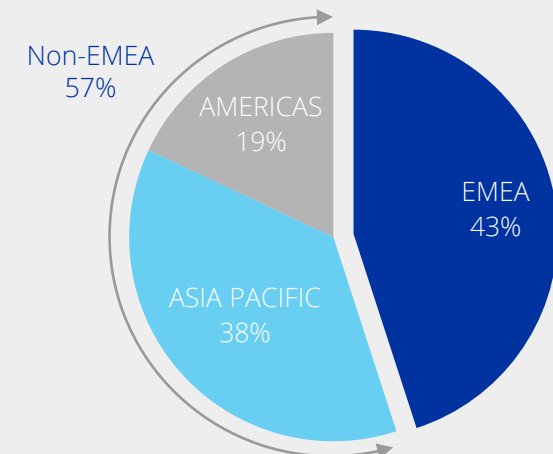
*Core revenue by region*



**Core revenue: €1,494m**

**2019**

*Core revenue by region*



**Core revenue: €1,767m**

# BROAD-BASED INNOVATION AND GEOGRAPHIC EXPANSION





—  
THANK  
YOU  
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28 JULY 2020

